So This Is Main Street! (Page 11)

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The Nation's Business

New Deal In Trouble

Public Opinion Swings from Roosevelt

Russian Scheme To Get Money From Canada

N. R. A. Promised Workers Too Much

ONE of the lessons of the current outbreak of strikes in the United States is the danger of politicians promising what they cannot deliver.

Washington, under the leadership of the President, undertook to put everyone back to work immediately at high wages. But the New Deal is breaking down. On every front its battle lines are cracking. The worker very properly asks where is the prosperity that was promised him. Where a year ago he was susceptible to the blandishments of the politician he is now influenced by the agitation of the Communist revolutionary.

* * *

THE Commercial and Financial Chronicle, New York, says "the atmosphere seems to have become surcharged with general discontent on the part of employees." That this should be the situation after a year of operations of the workers' new charter of freedom, the N. R. A., is very significant.

An emotional people, the Americans are turning on N. R. A. and the New Deal. Roosevelt is rapidly losing popularity. From Washington, it is reported that he is looking tired and discouraged.

The man whose voice over the radio stopped the panic has lost much of his decision and his confidence. He has many cards up his sleeve to play. But not many of them are aces.

As the Washington politicians lose their self-assurance the leaders of business and finance may regain theirs. It is time that industry across the border was given a chance to show what it can do to restore prosperity. And the American people are about ready to give industry that chance.

* * *

ONE of the most cruel comments on the New Deal appeared in a letter to the editor of the New York Herald-Tribune the other day. It read as follows:

Concerning the authors and the application of the following their comparison is interesting:

What he conceives the New Deal to be—"A permanent readjustment of many of our ways of thinking."—By President Franklin D. Roosevelt.

A definition of insanity—"A prolonged deviation from the usual way of thinking."—By Dr. Carlos F. McDonald, psychiatrist.

The significance of the letter is not in the thought expressed in it, which is rather barbed and unsympathetic. The interesting point is that such comments are appearing with increasing frequency in the American press. A few months ago even the critics of the administration "pulled their punches" in their comments. Now they deliver sledge hammer blows.

Paul Block, publisher of a group of newspapers, in a signed editorial the other day called the Washington brain trust "dream walkers" and parodied them to the rhyme of a popular song of the moment. He calls on the American people to eliminate the "brain plague."

* * *

Russia Seeks Canadian Money

TO THE man who has never been in Soviet Russia there has been some difficulty in understanding and reconciling two sets of conflicting reports that come to him. By one group of observers he will be told that prices are high in Russia and that the tourist and the native workingman can hardly afford to buy the necessities of life. By another group of observers he will be told that prices of most articles are cheaper in Russia than anywhere else in the world.

The conflict usually comes from a failure to appreciate the varying values of the rouble in foreign exchange. The Russian government has a monopoly of foreign exchange transactions and trades in roubles (publicly at least) only at the old gold par value. Buying roubles from the Soviet government at the price fixed by that government and then buying goods or meals or services in Russia at current prices is expensive. But roubles can be bought from bootleggers in Russia—although bootlegging of currency remains a capital offense—and when they are bought at their real value, which is what the bootleggers charge, prices are not high in Russia. But there is another way the

(Continued on page 2, col. 3)

MAY REFUSE WPG. ELECTRIC ARBITRATION

Idea of Civic Purchase of Properties Would Then be Abandoned

ONE GROUP FAVORS

But It is Generally Conceded Citizens Would Turn Down Attractive Offer

From Our Own Correspondent

WINNIPEG.—The latest development in the situation between the Winnipeg Electric and the City of Winnipeg, is a proposal made by Premier Bracken that the values of all the properties of the company should be fixed by arbitration, which should be submitted to the ratepayers. This counters a proposal on the part of the city council that the company and the city should enter into negotiations for the purpose of establishing a price, and that to facilitate the city's arriving at a position the company should throw open its books and records to the city's representatives.

May Be Rejected

This proposal for arbitration, it is thought, will be rejected by the city for several reasons, the chief of which is that an arbitration would be likely to fix a value much higher than the city could either afford or would be willing to pay. On the other hand the council seem to feel that under negotiations it would be possible to arrive at a price which would be satisfactory if not to all the interests associated with the company, at least to its bondholders, and also one which could be recommended to the ratepayers of the city, with some prospect of their concurrence.

Public Against High Offer

There is a section of the city council, and some degree of opinion outside, which would be strongly in favor of almost any extension of civic enterprise, and to some extent this might be almost regardless of cost. But it is well realized that it will be a matter of extreme difficulty to swing general opinion of the ratepayers, who must sanction any extension of the city's liabilities, to support any purchase plan. Under present conditions any scheme of buying out the Winnipeg Electric except on terms that would seem very attractive, would almost certainly be killed by public vote. To advocates of purchase, therefore, any scheme for arbitration seems likely permanently to kill any possibility of purchase.

Against Relief of Company

In the background of the negotiations, and exercising a powerful influence, is the fact that the provincial Government have proposed a plan for relieving the company from some of the difficulties, a plan which is opposed by the city because it will reduce the present payments the company has to make to the city in respect to the street railway. If a purchase plan is definitely proposed, which subsequently falls through, it is felt that it would strengthen the company's position in securing legislation to put the Government plan into effect, and correspondingly impair the city's ability to resist it. The Government majority in the legislature is made up almost entirely of country members, and although these have no direct interest in the transportation problem of the city, they are sufficiently loyal to Mr. Bracken to back him in any proposals he desires to press.

If the city now formally refuses to enter into arbitration proceedings, and the city's representatives do not secure enough information of the company's position to enable them to formulate a proposal, the whole idea of purchase could very quickly be dropped.

Auto Financing Follows Trend New Car Sales

Automobile financing made a considerable advance in April after failing to follow the trend of automobile sales during the earlier part of the year, it is revealed by figures released during the past week. Financing of new and used cars was almost double the March total and that of April a year ago.

The index for retail sales was lower in April than in March or in April, 1933, due to the fact that Easter fell in March this year compared with April a year ago.

Monthly	April '34	Change: From Prev. Period %	Change: From Prev. Year %
Auto financing:			
New cars	$2,101,501	+ 73.0	+ 97.3
Used cars	$1,888,735	+106.0	+ 90.0
Auto sales:			
New cars No.	10,630	+ 40.9	+ 93.4
New trucks No.	1,453	+ 72.9	+149.2
Retail sales Index	72.1	— 2.1	— 0.6
Weekly*			
Wholesale prices Index			.....
Carloadings No.	39,514	— 11.5	+ 22.8
Cattle sales No.	13,080	+ 29.5	+ 17.8
Hog sales No.	20,008	— 20.8	— 14.0

*Weeks ended June 1, May 26, 31 and 31 respectively.

Key Treaty Clause Found Unworkable By Tariff Board

Anglo-Canadian Treaty Threatened as Board Refuses to Judge Operating Costs on Basis of Figures Submitted in Tariff Change Appeal

CRUSHING REVERSE FOR U. K. WOOLLEN TRADE

Final Decision Unlikely as British Refuse to Divulge Actual Cost Figures — Board Scores Haphazard Estimates — British Reaction Feared — Investigations to Continue in September

From Our Own Correspondent

OTTAWA.—Major decisions, vitally important to Canadian commerce in general and to domestic manufacturers in particular, are contained in the Tariff Board's interim report on the British woollen application tabled in the Commons last week.

These decisions clarify Article 11 of the Anglo-Canadian treaty, under which this country is pledged to revise the preferential tariff so as to assure the producers of the United Kingdom, "full opportunity of reasonable competition on the basis of relative costs of economical and efficient production."

Commission Findings

In this, the first "test" case carried by the British Government to the Board, Chairman George Sedgewick and his associate commissioners find unanimously:—

1. That the comparison of production costs must be upon an actual basis—i.e., goods of the same kind and quality must be compared.
2. The manner of computing costs in the two countries must be fairly uniform.
3. No general finding or what might be called haphazard estimate of these costs will be made by the Board.

Crushing Reverse

As a result of these conclusions, the British woollen industry has met with a crushing reverse. The board's interim report covers cloths and yarns and, on both, the decision is that the data so far presented to the board both from British and Canadian manufacturers is insufficient to warrant any finding. The board, therefore, makes none and the investigation is to proceed, with a likelihood of further public hearings next September.

But to those who attended the public hearings last September and are familiar with the attitude of British manufacturers, it is apparent that the chances of this initial "test" case ever coming to finality are extremely remote. British manufacturers will not divulge details of costs. They never have done and have repeatedly stated they would prefer to forego the Canadian market entirely rather than do so. Nor is the "costing" problem less difficult in Canada where the board failed to find any two firms which followed the same method.

Insurmountable Difficulties

Thus, when the board refers to the extreme difficulty of arriving at any basis of a comparison, it is stating what has long been obvious both to the British and Canadian manufacturers and to observers. The difficulties in the way of a just application of the Anglo-Canadian trade treaty to the woollen schedules of the preferential tariff (although the board does not say so) appear insurmountable.

From the broader viewpoint, it emerges that nothing concrete can result from the woollen case until 1935. By this time more than half the five year period of the Treaty

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BIG EXPANSION NOW BEGINNING SAYS MARVIN

New U. S. Legislation Promises Large-scale Building Activity

From Our Own Correspondent

MONTREAL. — "Canadians should study intently the factors in the amazing recovery in the United States because something of the same kind is beginning in Canada and it is a useful index of what will take place here as well," said Donald M. Marvin, economist of the Royal Bank of Canada, to a representative of The Financial Post. The latter had questioned him with respect to his assertion in the June monthly letter of The Royal Bank of the probability that prices will resume their upward trend in the near future and that the next phase in recovery will be expansion in building and other durable goods industries.

A building boom in the United States of immense proportions is a likely result of the fact that obsolescence, depreciation and fire have taken heavy toll in four years of available residential space, he thinks, when there is added to that situation the additional fact that "anyone can build" if Congress passes Home Owners Loan Act of 1933 in addition to the Home Credit Insurance Bill now before it. The latter bill proposes that the Government insure private mortgage and building and loan associations against losses on loans made up to 80 per cent on appraised value of new houses and 60 per cent on reconstructed property. The loans will bear interest not to exceed 5 per cent and may be amortized over 20 years.

Durable Goods Turn Coming

Asked if such bills either in Canada or the United States would not produce too much building and so tend to reduce rents and real estate values, Mr. Marvin pointed out that if such a condition brought about 100 per cent employment or near it, the demand for existing as well as new buildings would probably be found to grow. He thought the new proposals the most revolutionary since the United States went off gold and he was inclined to believe that, just as the departure from gold had a decided effect on the demand for consumers goods, the new building plans, if adopted and pushed, will perform a similar service for the durable goods industries.

Mr. Marvin considers as the most highly significant of all the changes noted in United States, the increase in orders for railroad passenger cars. In 1931 only four railroad passenger cars and two locomotives were ordered in the United States; in 1932 there were 30 cars and two locomotives; in

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U.S.S.R. BOOSTS REMITTANCES FROM CANADA

Torgsin Sales Plan Brings Steady Flow of Exchange

Canadian banks report a considerable flow of money from this country to Soviet Russia in recent months as a result of the sales campaign conducted on the continent by Torgsin—the Soviet chain store organization for trade with foreigners. Torgsin is a group of chain stores where purchases can be made only by foreigners.

All across the continent—particularly in Russian settlements in Western Canada and in the foreign quarter of large cities, well-printed, highly-colored sales lists are being distributed which urge the advantages of sending to someone in Russia an order for merchandise on one of the 1,700 Torgsin stores. Originally there were but 150 Torgsin stores for the convenience of foreigners in Russia. Now the number has jumped more than ten-fold to accommodate this new form of national merchandising.

How it is Done

Usual procedure is for the purchaser to go to any bank branch or steamship agency and purchase an order on Torgsin in U.S. dollars. Canadian dollars or sterling would do equally well but most orders are in U.S. dollars as the transaction is simpler than in sterling and U.S. dollars are better known than Canadian. For $10 the cost would be about $1 depending on how fast the sender wished the order to arrive. Canadian banks report a regular movement of currency in this way and senders apparently express satisfaction at the results.

Chief benefit to Russia in this novel merchandising plan is that it taps an immense reservoir of foreign exchange which can be used by the Government to meet its always-pressing obligations. Total immigrant remittances from this continent to all countries normally run to $250 millions. From Canada the total is from $10 to $15 millions. Last year it dropped to $6 millions, according to Dominion Government estimate.

U. S. Feels Effects

Over a year ago the U. S. Department of Commerce reported in its annual survey of the balance of international payments of the United States, that one factor in maintaining these remittances (1931) at within 13 per cent of the previous year's figure, was the increased movement of money to Russia as a result of "Torgsin" operations. Only comparatively recently, however, has the plan been used to any large extent by Canadians.

Prices for Torgsin merchandise are quoted in Russian roubles and kopecks. Par of exchange is 51 cents for the ruble (100 kopecks

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HOW OLD IS YOUNG?

Accountants Explain $4,985,008 Write-up of Burns & Co. Assets

Canadian Appraisal Co. Set Higher Values in 1928

INVESTORS LOST

Amount Written Off Investors' Capital in Reorganization Nearly Equals Write-up

Assets of Burns & Co. were written up by a net amount of $4,985,008 at the time of refinancing in 1928, according to a statement of the company's affairs prepared by Eric Richardson & Graves, Calgary chartered accountants, for the Stevens committee on price spreads and mass buying.

The basis of the write-up of assets was an assessment of value of the assets by The Canadian Appraisal Co., Toronto.

Perhaps by coincidence, the recent reorganization of Burns & Co. has written down investors' capital by $4,299,300, an amount almost approximating the 1928 write-up.

Arthur F. White, of Dominion Securities Corp., underwriters of the Burns financing in 1928, was challenged on this write-up when he testified before the Stevens committee. J. L. Ilsley, M.P. for Hants-King, N.S., stated:

"You took the most favorable figure on an old plant and sold it to the public."

Mr. White: "It is so hard to explain now what was done in 1928."

Write-up Explained

This is how Eric Richardson & Graves explained the writing-up of the Burns assets:

How Burns Assets Were Written Up

Net book value assets Dec. 31, 1927		$13,651,379
Less: net assets taken over by Senator Patrick Burns		3,406,673
Net assets taken over by Burns & Co.		10,244,706
Add:		
Appreciation shown by appraisal	$6,577,867	
Less:		
gen. res. available for depreciation	1,592,859	4,985,008
		$15,229,714

In the 1928 prospectus for the revamped Burns & Co. assets were shown, in effect, at Dec. 31, 1927, as follows:

Fixed assets, consisting of real, estate, plant machinery and equipment at replacement value new, appraised by the Canadian Appraisal Co. as at Dec. 31, 1927, less purchase money mortgages	$10,845,464
Net Liquid Assets certified by the company's auditors	4,291,345
Investments in shares and securities of and advances to other companies, and other assets	586,268
Total assets	$15,723,077

"Extraneous Assets"

In the prospectus it was stated that the 1928 financing was being done "to finance the acquisition by the new company of the assets (except certain extraneous assets) and undertaking of the predecessor company." The "extraneous assets" apparently refers to the net $3,406,673 of securities, ranches, and city properties held out of the then new Burns & Co. by repurchase by Senator Patrick Burns of Calgary, the vendor in the deal.

Mr. Burns was paid $9,671,001 for his 50,000 shares of $100 par value common stock in the predecessor corporation, P. Burns & Co. He used $4,038,837 of this money to buy back the "extraneous assets" mentioned above, before the company was refinanced by Dominion Securities Corp., leaving him $5,632,164 in cash, according to Mr. White's testimony to the Stevens committee. Mr. Burns also assumed $632,164 of liabilities of the old company before the refinancing to the investor was carried out.

In addition to the net payment of cash to Mr. Burns, Dominion Securities Corp. redeemed the $3,078,500 of 6½ per cent bonds and the $3,906,200 of seven per cent preferred stock of the old company.

How Capital Changed

After the purchase from Mr. Burns, and the redemption of former preferred stock and bonds, the new Burns & Co. was sold to investors. This was done by sale of $7,000,000 of 5½ per cent first mortgage bonds and $6,900,000 of six per cent preferred shares. There were 99,997 no par common shares and three management shares issued for a value of $100,000 or $1 each. This put total capital at $14,000,000. Proceeds of the sale of these securities were $12,900,018, according to Eric Richardson & Graves.

With the offering of preferred stock, investors were given a bonus of one-quarter common

(Continued on page 2, col. 6)

Canada Seeks Larger Quotas In French Pact

By J. K. ROSS DUGGAN
Editor, Canadian Trade Abroad

LONDON.—Canada has requested a thirty-days extension of the French Canadian trade treaty which expires on June 12 in order to negotiate for elimination of the eleven per cent exchange surtax on Canadian products which has proved a severe barrier to Canadian exporters.

Reduction of the French import tax from six per cent to two per cents is also being pressed along with the request for increased quotas on building board, rubber footwear, pork livers, paper, rubber goods, flour and specialty products.

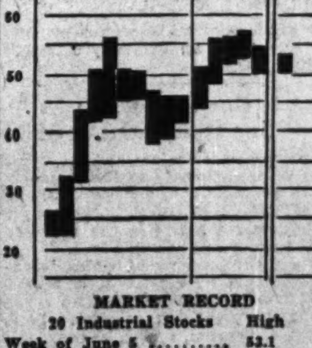
Wheat will not enter into negotiations as this is already taken care of by a system of permissive admission.

France, on the other hand, requests favorable entrance for wines.

It is stated that French political and national sentiment is favorable toward Canada.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of June 5	53.1	50.6
Week of May 29	53.0	51.4
Month of June, 1933	50.3	40.2
10 Public Utilities		
Week of June 5	52	51
Week of May 29	53	52
Month of June, 1933	55	49
8 Bank Stocks		
Week of June 5	183	181
Week of May 29	184	181
Month of June, 1933	181	169

Highlights of the week

Main Street Today

Lindsay, Ont., pictured for Post readers by Oakleigh Dalgleish as the first of a series of sketches of small communities illustrating the effects on small Canadian centres of the advent of chain and department stores. Page 11

Asbestos Genius

Story of Capt. James G. Ross, the Scottish Canadian who revolutionized asbestos mining the world over. How he did it. Page 18.

Bond Endowments

Corporation bond issues require sinking funds. Where endowment insurance will fill the bill and where it will not, discussed pro and con by R. M. Haultain. Page 12

Wheat Situation

June 1 rains revamped the western crop prospects. A reliable report from Winnipeg. Page 14. Meaning of Russian and Argentine wheat transactions. Page 14

Debts Jump

How Canadian government increased debt between 1923 and 1933, and what every Canadian owes through governments. A special analysis of a report of the Citizens' Research Institute. Page 17

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ASBESTOS CO. TRADE REVIVED REOPENS MILL

European Orders Assure Corp. Three Months Operations

BRIGHTER DAYS AHEAD

Anticipate Steady Improvement as St. Lawrence Navigation Opens — Look for Profit

Dark as has been the outlook during the last four years for the Asbestos Corp., there is evidence of brighter days ahead, for last week European orders prompted the opening of the Vimy Ridge mill with orders giving assurance of at least three months operations. Coincident is steady operation at the King mill, working near its full capacity.

While operations in the first five months of 1934 have shown a loss, it must be taken into consideration that the industry is largely seasonal and with the opening of navigation down the St. Lawrence a steady improvement is anticipated for the remaining months of the year. June, it is expected, will turn the corner and show the first profit for the year and each succeeding month is likewise expected to show a profit unless some unforeseen conditions arise. While there was a loss in the first five months of 1934, it was less than one-half the loss in the corresponding five months of 1933.

Profit Possible In 1934

Although a loss was shown for the entire calendar year, 1933, the last six months were on a profitable basis and with production and shipments continuing to mount there is sound expectation for further improvement in 1934. During the first five months of 1934 the production of all grades of asbestos, in Canada totalled 40,998 tons as compared with 25,529 tons in 1933.

In order to show the relation between shipments and production it may be stated that in March, 1934, Canadian asbestos exports advanced to 13,377 tons as compared with production of 12,629 tons. April production for Canada was shown at 10,611 tons. April shipments by the Asbestos Corp. were about 8,500 tons and as navigation down the St. Lawrence is now in full swing it is expected that May and June will show corresponding advances. Usually the June and July shipments show decided advances.

While the water transportation reflects European orders, the United States market, which normally accounts for about 50 per cent of the Canadian production, is in a less reassuring position. It is claimed that the United States buyers are not making advance purchases and display timidity in placing orders for future delivery.

Funded Charges Reduced

Following the capital reconstruction in 1932 to cut the funded charges of the company to the bone, drastic economies have been effected in all phases of the operations. The King mill alone, out of the six mills owned by the corporation, has remained in operation until the commencement of the Vimy Ridge mill last week. Costs have been cut to the lowest in the company's history notwithstanding the disproportionate overhead.

One of the most evident economies introduced at the King operations, in Thetford Mines, is that of a new system of mining known as block caving. While the full effects of this new system have not had a chance to be demonstrated, already a marked improvement has been shown over open pit mining previously employed, which had reached an economic mining limit in depth, necessitating a change to some form of underground mining. How successful the new block caving method has been is told in recent figures, which for mining alone have been reduced to 21.1 cents per ton of rock mined. What is seen as phenomenal is that this initial effort in Canada at block caving, a method used extensively in the copper mines of Southwestern United States, but heretofore untried in the asbestos industry, is working out so satisfactorily. Not only are mining costs being reduced, but a higher percentage of the more valuable fibre is being recovered. Another factor of vital importance is that the new mining methods will make recoverable large tonnages of ore not possible by open pit mining and as greater depth is reached the ore reserves will be greatly augmented. With the King mill and mine the company's key operation, and with its lowest operating cost, the importance of the new development will be manifest as time goes on.

No More Expensive Stripping

One phase of mining operations experienced at all properties, particularly at the King mine, was the cost of bearing the overburden as the ever-widening rim of the open pit advanced with operations carried to deeper levels. At the present time the King mine in places is about 400 ft. deep and as depth was reached costs increased and the narrowing funnel of the pot provided less ore. Winter operations, also, added obligations and costs. With one stroke all of this will be eliminated by the new block caving system, which simply reverses the open pit order and by

(Continued on page 2, col. 8)

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ASK ABOUT TOURS IN RUSSIA

The Nation's Business

(Continued from page 1)

foreigner can buy fairly cheaply when he is in Russia.

* * *

RUSSIA is desperate to obtain foreign balances to pay for its purchases abroad. That is why it went into the tourist business on a grand scale, inviting foreigners to come and see for themselves. If it can sell roubles to foreigners at an inflated value it gets money to pay for its purchases abroad. To encourage tourists, Russia set up a series of shops under the Torgsin, at which only foreigners could make purchases. Goods can be bought in these shops in any currency. A Canadian silver quarter dollar or a British ten shilling note are equally welcome. Expressed in foreign currency, prices are not very high in these shops, at least for a large number of articles that foreigners want to take out of the country.

NOW Soviet Russia has found a new racket for building up its foreign balances. It is flooding the world with letters asking people to send to their friends or relatives in Russia orders for merchandise on the Torgsin shops. Extensive price lists are provided. Russian colonies in Canada have received hundreds of these letters. The orders can be for specific merchandise or for any number of roubles. Even the Russian peasant, formerly denied the privilege of dealing in Torgsin shops, can cash these orders when they come from abroad. There are 1,700 shops in the chain—more than in any Canadian chain store. It is mass buying on a large scale.

But it is just another scheme to get foreign currency to finance the great social experiment. It is a clever scheme at that.

PRINCE EDWARD INCREASES LOSS PATRONAGE OFF

Gross Revenue of Hotel Decreases 30% — 1934 Business Improving

Prince Edward Hotel Co., Windsor, showed an operating loss of $3,869 for the year ended Dec. 31, 1933, as compared with a profit of $17,550 in 1932, according to a statement released by National Trust Co., trustee for the 7½ per cent bonds.

To this loss must be added an unstated amount for depreciation and bond interest which in 1932 amounted to $48,962 and $53,760 respectively.

Operating Statement

	1933 $	1932 $
Revenue	225,558	....
Less: Oper. exps.	205,859	....
Taxes	21,813	....
Int. on mtge.	1,755	....
Profit	*3,869	17,550
Depreciation	....	48,962
Bond interest	....	58,760
Deficit for year	*3,869	85,172

*Loss before interest and depreciation.

During the year the gross revenues of the hotel decreased $94,386 or almost 30 per cent with room revenue down 27.64 per cent and food revenue 30 per cent. Operating expenses including taxes showed a decrease of $66,355 or approximately 23 per cent and controllable expense off 22 per cent. The average occupancy during 1933 was 32 per cent against 39 per cent in 1932. Business, it is stated, has shown steady improvement in 1934, but owing to the lower room and food rates, revenues have not shown much gain over the corresponding period in 1933.

From the Century Bond & Management Co. successors to W. A. MacKenzie & Co., who underwrote the issue, comes the following statement to the bondholders:

"Under changed conditions it is most improbable that the company will be able to earn, for many years at least, anything like 7½ per cent on the present outstanding amount of $716,000 par value of first mortgage bonds."

In the Mail

Money Wasted on Harbors

Editor, The Financial Post,

You say the Gibb report has been shelved on account of the opposition of Quebec federal members who control the administration of the St. Lawrence River.

The mines have just been taxed somewhere around an extra $9,000,000 and most of this money will be paid by the mines of Ontario. This money was needed by the Government and I have no doubt the individual shareholders of the mines, who really pay the tax, will gracefully pay up to help the country in its present embarrassed financial position. But why should the shareholders of the mines pay this extra tax while the Government throws away money, and lots of it, in the administration of the various harbors of the country, and the St. Lawrence River? I have lived for a number of years in towns on the St. Lawrence where harbors exist and have had a good opportunity of seeing how money has been wasted. The St. Lawrence is dotted with useless small wharves which were built at the request of politicians whose sole object was to have money spent in their several constituencies and to enable them to distribute patronage.

Harbor Commissioners are chosen not for their special knowledge of harbor administration, or their business capacity, but for the political work they have done for the party and their ability to distribute patronage to the best advantage of the party in power for the time being. The permanent officials of the harbors are efficient and administer the harbors as well as politically appointed commissioners will allow them; but when the chief officers of a harbor have not the authority to hire and fire men under them how could one expect efficiency?

Thousands of dollars were wasted last fall escorting ships to Montreal after ice conditions on the river were quite unfit for shipping, and the ships were practically all foreign ships too.

"Just an Ordinary Citizen."

Quebec, P.Q.

Ontario Gov't Tabulates Mine Operations in 1933

A report on the mines and metallurgical work of Ontario in 1933 recently issued by the Ontario Department of Mines shows that last year there were 67 gold mines active in the province and 12 silver and cobalt mines.

The report, a copy of which is obtainable at the Department of Mines, deals briefly and concisely with every company producing copper, gold, graphite, gypsum, nickel, radium, silver, cobalt, talc, and contains a section on metallurgical work.

Record Apple Shipments

Apple shipments through Halifax during this season of 1,882,153 barrels create a new record for the port. Last year 741,855 barrels were shipped.

KEY TREATY CLAUSE FOUND UNWORKABLE BY TARIFF BOARD

(Continued from page 1)

will have expired. To all practical purposes, therefore, it is clear that Article 11 of the Treaty is unworkable, save where it is applied to commodities relatively simple and primitive where production costs may be computed in a satisfactory way. This fact, of course, was not foreseen either by the British or Canadian delegates to the Ottawa Conference; no question of Premier Bennett's sincerity can arise. It is unfortunate, however, that the one real concession given to the British has turned out to be much less valuable than was supposed.

Fear British Reaction

How the board's interim report will be received in the United Kingdom is a matter of anxiety at Ottawa. It is feared the reaction will be most unfavorable and that charges of bad faith will follow. This, it is thought, would be most unfortunate as the British government is already embarked upon a policy of agricultural expansion which threatens Canadian export trade in many lines and the British market is the one great market in the world that is open to our primary products.

But notwithstanding this situation, the government, it is understood, will follow the recommendation of the board and leave the woollen schedules unchanged for the present session.

Before summarizing the board's report, a brief outline of the woollen case will enable a better realization of the importance of the decisions. The Anglo-Canadian treaty was signed in August, 1932—to run five years. The Tariff Board was not appointed until February, 1933, and the first test case (on woollens) was not submitted to it until May of last year.

Tariff Excess Charged

The British government, on behalf of the British woollen industry, declared that the Bennett preferential tariff on woollens was in excess of the stipulations of Article 11 of the treaty, which reads:

"His Majesty's Government in Canada undertake that, during the currency of this Agreement, the tariff shall be based on the principle that protective duties shall not exceed such a level as will give United Kingdom producers full opportunity of reasonable competition on the basis of the relative cost of economical and efficient production, provided that, in the application of such principle, special consideration shall be given to the case of industries not fully established."

The application called for a downward revision of 11 tariff items—yarns, felt, fabrics, clothing, gloves and mitts. A twelfth item, rugs and carpets, was added this spring but this, naturally, plays no part in the report.

Tariff Rates

The tariff picture is disclosed by the following table, which gives comparative rates as between May, 1930, and today. This indicates the extent to which the tariff has been increased in the past four years.

	Present Tariff	1930 Tariff
Yarns, n.o.p.	15% and 11¼c. per lb.	20 %
Yarns imported by manufacturers	10% and 7½c. per lb.	12½%
Felt	15% and 7½c. per lb.	15 %
Blankets	22½% and 10c. per lb.	22½%
Woven fabrics not exceeding 6 oz. per sq. yd.	20% and 9¼c. per lb.	10 %
Woven fabrics	27½% and 18¾c. per lb.	22½%
Woven fabrics not less than 18 oz. per sq. yd.	25% and 20c. per lb.	22½%
Clothing	30% and 18¾c. per lb.	27½%
Knitted garments	25%	20 %
Socks and stockings	30% and 75c. per doz. pairs	25 %
Gloves	25%	22½%
Mitts	25%	15 %
Carpets, etc.	30% and 5c. per sq. ft.	25 %

More Hearings Later

The report states, definitely, that no information has been received from the British on felt, so this item may be ignored. A brief was received from Britain last October dealing with knitted garments, socks, stockings, gloves and mitts. Cost figures followed in February but these were not satisfactory, and further information will be sent to the board later on. These items will be proceeded with, actively, next autumn.

The board's report covers yarns, blankets, fabrics and clothings. These articles have been under the scrutiny of the board intensively for a year and these are the items dealt with in the report.

Trade in Past Years

First, there is the trade position. The board's statistical branch has turned out figures showing the trend of the past four years.

Worsted Cloth (In thousands of lineal yards)

	Can. prod.	Imports Britain	Total	Can. %	British %
1930	1,672	5,211	6,883	24.3	75.7
1931	2,004	3,464	5,468	37.2	62.8
1932	2,509	3,003	5,512	45.5	54.5
1933	3,287	3,694	6,981	47.1	52.9

Woollen Cloth (same basis)

	Can. prod.	Imports Britain	Total	Can. %	British %
1930	3,578	8,501	12,079	29.6	70.4
1931	5,520	3,891	9,210	57.7	42.3
1932	7,912	3,760	11,572	67.5	32.5
1933	10,071	3,376	13,447	74.8	25.2

British Lose Heavily

From the British viewpoint, these tables tell a sad story: from the viewpoint of the Canadian woollen industry it is the reverse. The British have lost more heavily in woollens than worsteds but in both cases the effects of the tariff increases are apparent.

The story of the board's failure to come to a definite decision is set out in a 7,000 word report. The application was proceeded with in June of last year, when a delegation representing the British mills came to Ottawa. There were difficulties, at once, regarding production cost statistics. The British brought figures with them and the board gives a detailed description of them which is essential in explaining and justifying the lack of definite recommendations.

Haphazard Reports

According to the report, the British statistics were based, as follows:

"(a) A number of firms were asked to supply samples, as diverse as possible, representing their entire range of production, and to set a price on these cloths as they would normally compute their price as the basis of a possible order. They were not instructed what to include in this price, nor were they subsequently asked what they had included. The value of raw material used was separately stated.

"(b) At a later date they were asked to subtract their normal profit from the prices originally named. The term 'profit' was not defined in the instructions: hence it is not known what this term included in the minds of those answering. The residue was regarded as cost.

"(c) In September, 1933, the costs thus ascertained were increased by applying an index figure to the value of the original raw materials, which had risen substantially in price. The changes in prices of raw materials during the past twelve months have rendered that period an unusually difficult one in which to make cost comparisons, and, so far as they have been reflected in the prices of finished articles, they have also altered the incidence and effects of the existing rates of duty."

Board Studies Costs

The board, with this information in hand, turned to the Canadian manufacturers who, "were asked to calculate their costs as of August, 1933, in their usual manner, but in addition they were asked to give certain information which was lacking in the British figures with respect to quantities produced and with respect to the basis upon which overheads were calculated and included in their costs."

The board then began to study the situation and the complexities and difficulties emerged, to grow with the ensuing months. The report tells the story: "The industry (woollen) uses various materials, including wool, tops, noils, rags, waste, cotton, silk, etc., which are combined in various ways. The cloths which are made show almost infinite variety in size of yarn, weight, texture, coloring, degree and kind of finish, quantities produced and conditions of manufacture.

Values Fluctuate

The value of raw material is subject to rapid change, and it has practically doubled during the period of the investigation. There is usually a considerable time lag before such changes are reflected in the prices of finished products. There is no general agreement in the industry as to methods of costing or even the items regarded as forming a part of cost. Even in Canada no two firms have been found which use the same costing methods, and it is only reasonable to believe that equal diversity exists also in Great Britain.

Many Differences

"There are, in addition, great differences between the circumstances in which the British and the Canadian industries find themselves. The British industry enjoys a large and diversified market calling for a correspondingly diversified output. It has much lower labor costs. Many British plants are old and largely amortized. Many are still run as family concerns. In Canada the market is smaller, the wage rates have been found to average from 55 to 77 per cent higher than in Great Britain for corresponding work. (The board has not been able to investigate the relative productivity of labor in Britain and Canada. The difference between average wage rates per hour may not measure the difference in labor costs), and the industry is almost entirely conducted by joint stock companies on subscribed or borrowed capital.

"The Canadian manufacturer must therefore specialize, as far as possible, on those types of cloth which his market will absorb in largest quantities and which can be produced with the greatest economy of conversion costs. The board is well aware of the fact that the competition between British and Canadian firms is affected by elements other than cost, such as reputation of firms and trade preferences, proximity to market, variety of style, etc. These factors, however, do not lie within the scope of the present report.

"In view of all these variable factors, it was only to be expected that the task of comparing costs of efficient and economical production would be a difficult one, and this was recognized by all parties concerned."

Difficulties Not Obscure

These difficulties, undoubtedly, were appreciated by the British manufacturers long before they were realized either by the Bennett Government, the Tariff Board or the Canadian operators. The British application, in fact, was based upon the supposition that an actual comparison of production costs is impossible; that if a decision was to be made the board would have to adopt a "sort of law," average things up loosely and strike a figure which seemed fair. In doing so, of course, injustice might be done to some, and undeserved benefits conferred on others, but on average the British believed the treaty would be lived up to.

And last summer the board was inclined to agree with the British. As the report now divulges officially for the first time, the Canadian manufacturers were instructed to fit their figures to the British cost model. But when the board actually came to grips with the problem, the British idea of applying the treaty was totally and finally abandoned.

Tells of Disillusionment

The board tells the story of its disillusionment as follows:

"As a result of the present lack of conclusive evidence regarding the costing methods employed in Great Britain and Canada, it is not yet known to what extent the British and the Canadian firms have included corresponding items in their overhead costs. In particular, the situation is not clear with regard to the inclusion of rent and interest on invested capital.

"A complete check and verification of the costs submitted by both sides would require a thorough study of the records and costing methods of each firm represented, both in Great Britain and in Canada. Up to the present time the board has based its investigations largely upon the figures as submitted, and no attempt has yet been made to obtain further verification of the data by direct examination of the books of the firms reporting.

"It is not permissible to describe in the report any further particulars of the statistical methods suggested by the British delegation and used in the enquiry, since these methods were divulged under pledge of secrecy. The board carried these methods through to their necessary conclusion and found that they yielded a result which, in the light of known facts such as the difference in wage rates, was manifestly absurd—so much so that it was necessary to make a careful study in order to discover the disturbing factor.

No Comparisons Fair

"According to the 'sort of law' suggested by the British delegation, the character of the cloths submitted as samples by the two delegations was not an essential element for consideration. The very object of the method proposed was indeed to avoid the necessity of finding identical products for comparison or isolating the actual cost of any single product. But the board has formed the opinion that a valid comparison cannot be made without following, to a reasonable extent, the principle of comparing like with like, and that disregard of this principle constitutes a serious error in the statistical methods in question.

"Not until some time after the end of the public hearings was it conclusively demonstrated that the cloths in the British sample differed on the average from those in the Canadian sample in several important particulars, including the fineness to which the yarn had been spun and the number of picks per inch. So far as the evidence now available goes, it also seems to indicate that there were differences in the lengths of warps and in the number of looms operated by a single weaver in making the cloths. In all these respects the cloths in the British sample were constructed in such a manner as to require, both in spinning and in weaving, more labor than the cloths in the Canadian sample. Whether similar differences exist in the manner and degree of finishing, the volume of production, or other manufacturing conditions, the board has not yet been able to ascertain. In view of these facts, the board was obliged to abandon the method of comparison proposed by the British delegation.

Require Similarity

"A diligent search for similar cloths among the 155 woollen cloths in the British sample and the 100 woollen cloths in the Canadian sample revealed that not a single pair of cloths offered a fair comparison, while an examination of the worsted cloths by a textile expert did not disclose more than six or seven pairs of cloths of approximately similar structure."

The board's decision is that while, "it would be unreasonable to require similarity in all respects, . . . due regard should be paid at least to such differences . . . as appear to have any significant effect upon comparative costs."

As to yarns, the story is the same. The British cost figures were hypothetical, impossible of verification. And, "in the absence of greater certainty . . . the board does not feel justified in reporting a finding at the present time."

A disposition to blame the Tariff Board for failure to make definite recommendations in the woollen case cannot survive a careful reading of the report. Undoubtedly Mr. Justice Sedgewick is now in Britain endeavoring to convince British manufacturers that complete cost data is essential. His failure is regarded as more than probable. But even if the British consented to break their traditional practice in this respect, the difficulties of variation in quality, types, etc., would remain.

The real point of the report is that the "cost" method cannot be operated: there is no such thing as a "scientific" tariff.

Gov't Hesitates In Supporting Lloyd's License

From Our Own Correspondent

OTTAWA.—Grave doubts as to the success of federal insurance legislation containing the contentious Lloyd's licensing provision are expressed here.

At the close of parliament on Friday, June 1, Prime Minister R. B. Bennett intimated that there was doubt as to whether or not second reading of the bill would be proceeded with. "There is no difficulty about it except with regard to one section, the one dealing with Lloyd's," said the Prime Minister.

Political Reasons Blamed

Just what will happen is a matter for conjecture at the moment. One version of the situation which is given considerable weight here is that the delay is directly due to the tremendous political pressure which has been brought on the government from all parts of the country by established insurance interests. Originally it is believed the Government planned to support the measure as introduced by Senator Meighen into the Upper House and passed by that body. Political considerations it is thought have caused a change in attitude and at the moment the fate of the measure is uncertain.

One result of the change in front was seen in the delegation of life insurance company officials which waited on the Government last week. Among other matters discussed was one for new and alternative legislation which would license life insurance companies under a new act entirely separate from the contentious fire and casualty legislation.

Lord Shaughnessy Retires From Industrial Alcohol

From Our Own Correspondent

MONTREAL. — Official announcement is made of the resignation of Rt. Hon. Lord Shaughnessy, K.C., from the presidency of Canadian Industrial Alcohol Co. It is further announced that Lord Shaughnessy has retired from the boards of the parent and contingent companies. No further information is available as to the particular reason for his action in retiring from active management of Canadian Industrial Alcohol.

For the time being at least, affairs of the company will be handled by L. V. Wright, at present vice-president of the company, and expectation here is that he may succeed Lord Shaughnessy.

ACCOUNTANTS EXPLAIN $4,985,008 WRITE-UP OF BURNS & CO. ASSETS

(Continued from page 1)

share for each preferred share purchased. Fractional common shares were adjusted at a value of $20 each. And each preferred share carried a warrant entitling the holder to buy another one-quarter common share at $30 a share. These were the common shares for which $1 each was paid.

The 1928 and 1927 capitalizations then compared:

New and Old Capitalizations

	Burns & Co. 1928 $	P. Burns & Co. 1927 $
1st Mtge bonds	7,000,000	3,078,500
Preferred stock	6,900,000	3,906,200
Common stock	100,000	5,000,000
	14,000,000	11,984,700

Results of Refinancing

The change in ownership had this result: Book value of assets of the old company was reduced by the amount taken over by Mr. Burns ($3,406,673 net) and "an increase of $348,621 in the total funded debt and capital investment," according to Eric Richardson & Graves.

While the refinancing lowered the interest rate on bonds from 6½ to 5½ per cent, and the rate of dividends on preferred stock from seven to six per cent, annual interest and dividend charges were raised by $325,463. This is shown:

How Fixed Charges Increased

Charges on Old Capitalization	
P. Burns & Co. 6½ % bonds	$200,102
P. Burns & Co. 7 % pref. stock	273,434
Total	$473,536
Charges on New Capitalization	
Burns & Co. 5½ % bonds	$385,000
Burns & Co. 6% pref. stock	414,000
Total	$799,000
Increase	325,463

The increased values placed on fixed assets would naturally involve an increase in the annual provisions for depreciation, state the Calgary accountants. Since the new company used lower annual rates of depreciation than the old company, however, this was not reflected in the Burns & Co. annual statements, it is stated by Eric, Richardson & Graves. Hon. H. H. Stevens commented at the hearing of Mr. White by the committee at Ottawa that depreciation charges for the new company should have been larger for Burns & Co. than for its predecessor P. Burns & Co., because the buildings had been valued as new on the books.

In this connection, it is noteworthy that $2,516,634 of the $4,299,300, written off investors' capital by the recent reorganization, is being applied to increase depreciation reserves.

Earnings Record

Earnings record as outlined in the 1928 prospectus for Burns & Co. securities was actually bettered by the company in 1928 and 1929. But when the drop in wholesale prices got well under way in 1930, profits sank rapidly. Recovery occurred in 1933. This is shown below:

Net Earnings Before Depreciation

1933	$ 474,035
1932	96,473
1931	299,289
1930	687,532
1929	1,447,007
1928	1,409,612
1927*	1,065,618
*Average 1923-27	991,588

*As shown in 1928 prospectus.

U.S.S.R. BOOSTS REMITTANCES FROM CANADA

(Continued from page 1)

equal 1 rouble). However, U. S. exchange is at present depreciated by roughly 70 per cent which makes the rouble currently worth about 85 cents. On this basis The Financial Post has calculated into terms of our currency, some leading items of merchandise as shown in the Torgsin catalogue. The prices together with approximate Canadian prices are shown. These figures do not attempt to indicate quality of the article of course.

		U.S.S.R. List	Approx. Toronto Price
Butter	lb.	22c to 34c	22c to 27c
Sugar	lb.	8½c	6c
Coffee	lb.	77c	35c up
Bacon	lb.	25½c	30c-46c
Flour	7 lb.	65c	60c
Women's silk stockings	pr.	17c to 64c	55c-$2.00
Men's wool socks	pr.	25c¼ to 85c	55c up
Men's boots	pr.	$3.50-$4.50	$3.50 up
Men's suits		$6.50-$8.50	$12.50 up
Men's shirts		60c-$1.15	$1.00 up
Aluminum saucepan		25c to $2.00	60c up

BIG EXPANSION NOW BEGINNING SAYS MARVIN

(Continued from page 1)

1933 the orders dropped to four passenger cars and 36 locomotives; and in the first four months of 1934, 310 passenger cars and 63 locomotives and 20,150 freight cars have been ordered. Standard Statistics index of machine tool orders went up from 31.6 in January, 1933, to 101.7 in January, 1934, and unfilled tool orders from 48.6 to 206.0.

Highly Significant Straws

All the data given in the last paragraph Mr. Marvin considers highly significant straws of great encouragement to the durable goods industries. He believes Canada cannot be indifferent to any movement in the United States to make up for a building deficit of major proportions and to stir up the durable goods industries. A similar law will be demanded in Canada, he thinks, if such legislation is really put into active work in the United States. Three-fourths of all the unemployment in the United States is due to lack of recovery in building and durable goods industries, and therefore Mr. Marvin believes there will be general stimulation from such expansion. The pressure of cheap money will give the motive force. It was simply astounding that short term treasury issues should be selling on a basis to yield less than one quarter of one per cent when long term issues equally as safe were selling on a 3.5 per cent basis. The recent upturn in second grade bonds was the first evidence of a restoration of the balance between short term and long term money.

ASBESTOS CO. TRADE REVIVED REOPENS MILL

(Continued from page 1)

an ingenious method a block of ore 160 ft. on the side is cut around and is undercut, then allowed to settle and crush by its own weight, the ore funnelling out through passages to a main haulage level initially established at 500 ft. This one block is estimated to be sufficient for approximately one-and-a-half years supply and as requirements demand similar blocks will be delimited and prepared for mining. When the ore above the 500 ft. horizon is exhausted the operation is repeated at the 1,000 ft.

Foreign Competition Increasing

To better understand Canada's asbestos enterprise and the outlook for investors in the Asbestos Corp., Canada's changing position with respect to the world asbestos trade requires careful and close study. For the period from 1879, the commencement of the asbestos industry in Canada, to the end of 1909, Canada supplied almost 85 per cent of the world's output. By 1910 Canada's percentage had dropped to 80 per cent of the world total. In 1921, Canada with the lowest output since 1910, and with real competition starting from the African and Russian producers, dropped its output to 66 per cent of the world production. In 1929 the banner year reported not only for Canadian asbestos producers, but the world at large saw Canada command 70 per cent of the total world trade. Of this the Asbestos Corp. produced about one-third, but with a decline in output to 96,000 tons from a record level of 120,000 tons.

Better Operating Conditions

The changes that have been taking place in the world asbestos situation together with declining markets and prices during a period of economic adversity have at least had the effect of more harmonious relations among the various producers, particularly the Canadian producers. In 1929 and previous years the esprit de corps was very low, the common problem of all Canadian producers — low prices and waning markets—has brought about one of the most fundamental changes in the Canadian asbestos industry, that of harmonious relations and co-operation in working out common problems of production, markets and prices.

In so far as the Asbestos Corp. Ltd., was concerned, an internal revolution has taken place since 1929 and the company is emerging on a sounder basis than ever before. New sales policies, new mining methods, research into market opportunities and a revamped capital structure are all working slowly but surely toward a more secure position and now only await general improvement in industrial conditions, not only in the United States, the principal market, but throughout the world to take full advantage of new policies and practices.

Editor's Note: Asbestos Corp.'s common stock payment to president explained on page 17. World production of asbestos (chart) on page 19.

Safety, the watchword—conservative management, the guiding principle . . . . for 116 years.

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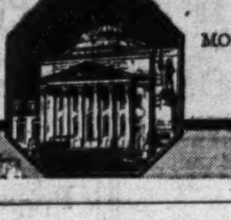
Established 1817

TOTAL ASSETS IN EXCESS OF $700,000,000

HEAD OFFICE  MONTREAL

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STEEL WARES NOW EARNING BOND INTEREST

Business Shows Monthly Improvement for Over 12 Months

EXCHANGE HELPS

Substantial Amount of Bonds Are Retired by Company at Favorable Prices

General Steel Wares, Ltd., is now earning bond interest and has been doing so, it is understood, since the beginning of the year. Each month from May, 1933, has shown a substantial increase in business over the corresponding month of the previous year. For the first four months of 1934 total earnings have been particularly satisfactory and with collections and inventory in excellent shape there seems good ground for believing that not only will the company be able to meet full interest of $540,000 on bonds issued, but will have something left over for depreciation. Nothing has been paid into the latter account since 1929 although in the intervening period large sums have been spent out of earnings on maintenance and fixed assets.

Exchange Helps

The fact that for some time there has been practically no premium on United States funds has helped matters considerably though this advantage has been partially offset by the small premium on English money. During the last few years, too, when the bonds of the company were selling at much lower prices than today, a considerable portion of these were retired by the company, the amount so handled in 1933 alone having a par value of $391,000 which were purchased at a cost of $218,000 thus resulting in a capital profit of $173,000.

Weather Depression

Up until 1930 the company was in a prosperous condition, showing a net profit that year of $335,971 after depreciation and bond interest, and total operating profit, after income taxes, of $1,206,200. With the depression, however, the operating profit fell abruptly and although bond interest has been met in full every year operating losses were reported both in 1931 and 1932. About the middle of last year the tide turned and an operating profit of $445,975 was announced or within approximately $60,000 of bond interest but with no provision for depreciation.

Manufacturing a full line of metal products, including kitchen and dairy utensils, stoves, pipe, eavestroughing, tins, pails, plumbing fixtures, etc., General Steel Wares Ltd. was in excellent position to benefit from the general improvement in business conditions right across the country, and it is reported that the company's improvement has been general in all lines and from coast to coast, rather than confined to special lines or districts.

Pressed Metals Extremely Busy On Motor Parts

While actual figures are not yet available, Pressed Metals Inc. is having a very satisfactory year, The Financial Post understands, and earnings for the first five months are substantially up from a year ago. The plant at Marysville, Mich., is operating three shifts and has been particularly busy making automobile parts.

The patented spring shackle turned out by the company is now used by the bulk of the larger motor manufacturers including General Motors, Chrysler, Hudson-Essex, Reo, Studebaker, Nash and Hupmobile, and this spring the output of cars in Canada was over a hundred per cent better than in 1933 and about 75 per cent higher in United States. In addition to the shackle bolt, Pressed Metals manufacture many of the parts used in General Motors knee action and the Chrysler Company's and Reo's individual front wheel springing. In the case of the Buick alone, some 22 parts in this connection are being turned out by Pressed Metals.

Good Sardine Season

The sardine season off the coast of New Brunswick has been a good one this year, with large catches being in good demand at prices higher this year than last.

Discontent With N.R.A., Factor in U.S. Strikes

Automobile Prices Collapse When Public Shows Purchases at Higher Levels Dictated By Increased Wages

By Staff Editor

DETROIT.—The strike threat to recovery is now ominous in the United States. A survey of the situation in the turbulent Toledo-Detroit area, reveals that the older workers, both in the unions and out of the unions, are unsympathetic to the agitation back of the current wave of strikes, which are accompanied by rioting, assault, and even murder in some instances. But the strikes are being carefully planned, some of them by revolutionary labor organizations of the same character as the Workers' Unity League in Canada.

Primary source of trouble is said to be that the more active propagandists of the New Deal have promised more to labor than even the most enlightened industrialists can deliver. But there are cross-currents in the tumbling labor waters and no simple explanation such as that fully covers the situation.

Sign of Recovery

Recovery and re-employment always provide opportunity for labor agitation among workers. You cannot call a strike on a plant that is closed down. But it is very embarrassing to call a strike on a plant that is just opening up or speeding up operations after a long period of quiet activity.

Take Detroit. Last October the industrial employment in this city reached the low point of 37.3 by the index number. By April of this year it had soared to 112.7. In Detroit factories, just three times as many men were at work as were employed last fall. One had to go back to 1930 to find a period of similarly brisk activity.

Various groups have set out to foment strikes. There has been some strike direction by the established unions under the A.F. of L. Their purpose is to ride the N.R.A. bandwagon to 100 per cent unionization of industry. But the A.F. of L. is already licked in that attempt. It is not the ugly feature of the labor troubles.

Experienced Agitator

There have been other union leaders, more radical, at work. One series of strikes has been called under the direction of a new union headed up by an expatriate English labor leader, who knows all the tricks of the strike game.

Another set of unions is frankly organized with Communist affiliations and is calling strikes as a part of a revolutionary direct action campaign.

The unions have been fighting each other. One of their weapons is cutting dues. There are radical unions that will sign a man for a down payment of 25 cents.

Wage Levels Rise

Under pressure from Washington, working through the codes, hourly rates of wages have been increased—in some industries up to 1929 levels although prices have fallen greatly since then. Industries have been able to give their men fewer hours of work at the increased wage levels and various codes have set limits to the working bonus in various plants. In some industries the effect has been to reduce the weekly pay envelopes of old line workers, who have been carried on through the depression, and some of them grouch a bit over that fact.

Auto Prices Drop

Industrial costs have gone up. The automobile industry tried to meet the higher wage and material costs by increasing prices of cars a few weeks ago. The effect was to flatten out the sales curve. This week price structure collapsed. Experienced Detroiters speak of the Monday morning price cuts as the beginning of a real battle for position in the automobile industry in which the chief weapon will be price.

In the recent weeks, Ford sales have been climbing at the expense of sales of his competitors. He had raised prices slightly when he brought out his refined 1934 model in December. He did not raise prices again recently when other cars went up. As a result he got a larger share of the business

Chevrolet and Plymouth prices were brought down with a crash on Monday. Hudson has challenged with a lower priced Terraplane, making a bid for the low car field.

Cheaper Cars Yet

Detroit is always full of rumors but this week stories were told of cheaper cars to come. They will be present models, stripped of all gadgets, and offered at the lowest prices in history.

Three big units in the motor car industry now do more than 90 per cent of the total business in the States. Among all other cars is divided less than ten per cent. The difficulties of the independents, outside of the factories, producing a quality car for the quality trade, will be immeasurably increased in the event of the continuance of a price war.

NORTH. MORTGAGE PROFITS SMALLER, EXPENSES ARE UP

Higher Taxes and Interest Rates — Depreciation Reserves Increased

Northern Canadian Mortgage Co. showed a net profit of $9,028 for the year ended March 31, as compared to $13,894 for the previous year. Receipts of $47,586 were not far below those of 1933 when $49,614 was collected, the difference being largely due to mortgage and agreement interest which amounted to $22,151 in 1934 and $23,944 in the previous year.

Rents held up well, at $22,414 against $22,796 in 1933. The fact that the company, during the year under review, exchanged some of the less profitable properties for two modern fire-proof apartment blocks probably helped in this respect.

INCOME AND SURPLUS ACCOUNT
Years Ended March 31

	1934	1933
	$	$
Receipts	47,586	49,614
Less: Expenses	38,558	35,720
Net profit	9,028	13,894
Add: Profit on stocks	1,149	....
Apprec. in val. of stocks *	8,185	....
Profit on realization of assets	431	....
	18,793	13,894
Prev. surplus	7,571	14,007
Less: Inc. tax prev. year	810	4,580
W/o real estate*	21,527	15,750
Balance forward‡	4,027	7,571

*Losses on agreements for sale and real estate written off not previously provided for. ‡Subject to corporation tax.

Expenses were higher for the last fical year, and totalled $38,558 as against $35,720. This increase was due very largely to taxes, which were $11,270 as compared with $9,419 and interest on mortgages and agreements payable $18,147 against $16,765 in 1933. There was a slight increase in the cost of management, $7,008 to $7,536, but legal fees of $428 were less than half those of the previous 12 months.

The directors in their report to the shareholders state that as conditions are still serious for loan companies in Western Canada extra reserves have been set up, $103,961 for depreciation and losses and approximately $88,689 applied in reduction of mortgage loans and agreements, these two items being responsible for a reduction in the balance sheet assets from $707,007 in 1933 to $505,360. "Should conditions improve," it is stated, "the full amount of these sums may not be required."

May Financing Of $58,331,739 Peak Since '30

Total Canadian Government and municipal bond financing for May amounted to $58,331,739, the largest total for the month since 1930, according to a summary by Wood, Gundy & Co. Apart from the Dominion loan of £10,000,000 at a cost of 3.48 per cent in London, however, the total for May is the lowest for the past five years.

For the first five months of 1934 total new financing amounted to $147,378,292. With the exception of the £10,000,000 London loan, all these securities were marketed in Canada.

The two feature issues of the month were the Dominion flotation in London, which was heavily over-subscribed, allotments amounting to only 49 per cent of subscriptions. The Canadian Pacific Railway Company was also successful in placing $12,000,000 of convertible 4 per cent bonds. Other large issues included $5,050,000 of 5-year 3½'s by Nova Scotia, $1,857,000 of 4's by New Brunswick and $500,000 of two-year 5's by Prince Edward Island.

TIRE COMPANIES TREBLE IMPORTS CRUDE RUBBER

Prices Quadrupled in Last Year in Anticipation of Restriction

In March of 1934 Canadian tire and rubber companies paid eight times as much for raw rubber as they did in the same month of 1933 and they got three times as many pounds for this money. In April and May purchases are understood to have continued at a high level and indeed the piling up of inventory has been going on since last summer in anticipation of the threatened restriction policy by the great producing countries of the world. The big spurt in output of motor cars has been taking up a lot of the slack but nevertheless the Canadian companies are understood to be well cushioned for whatever happens under the second great restriction policy in the output and marketing of rubber scheduled to begin on June 1.

Canada's Rubber Imports (Mainly Raw)

	1934	1933
	$	$
January	529,000	200,979
February	529,000	215,505
March	956,000	252,000
April	....	168,000
May	....	358,000
June	....	337,000
July	....	377,000
August	....	506,000
September	....	554,000
October	....	581,000
November	....	528,000
December	....	471,000

Raw Rubber Imports (By Pounds)

	Pounds	$
February, 1934	4,155,321	384,909
March, 1934	7,640,172	754,788
March, 1933	2,495,430	91,897

Total Imports of Rubber

Year ended Mar. 31, 1934	5,895,084
Year ended Mar. 31, 1933	3,308,986

Price Flutters Noted

In the first quarter of 1934, Canada paid for its rubber imports more than three times what it paid for the same quarter in 1933. For raw rubber alone tire and rubber companies paid in March $754,788 for 7,640,172 pounds as compared with $91,897 for 2,495,430 pounds in March, 1933.

The price has gone up ever since the low point of 4½ cents was established in March, 1933. By May 9, 1933 the price was 5½ and then kept going up until on May 8, 1934, rubber standard thick latex at New York was selling at 16c. It was difficult to hold these high points in May and prices fell to 15.22 cents and fell still further when the International Committee of Rubber producers fixed the export quotas for each territory at 100 per cent of the basic quotas for June and July, 90 per cent August and September, 80 per cent October and November and 70 per cent for December. The London and New York markets broke to 13.80 as they had expected the quotas to be fixed at a lower level.

As Canadian companies have been buying heavily since last summer, partly with the object of laying in large stores of raw materials to cope with increases in business and also to forestall the increases in price which the big rubber producers of the world had evidently determined on, apparently the stocks now held have been obtained at prices well under those now obtaining.

Success or Collapse?

Few Canadians are much interested in the shares of rubber plantation companies. The absorbing interest felt in London in the shares of such companies find their echo in Canada only because the experience of the producers of raw rubber, their restriction schemes and the failures or successes of such schemes have a dollars and cents echo eventually in the costs of tire and rubber companies and therefore in what the average individual may be called on to pay for tires, tubes and other rubber products. In other words, Canadians are indirectly but nevertheless very vitally interested in what is happening on the other side of the world in Malaya and in other rubber-producing countries.

The collapse of the Stevenson restriction scheme in 1928 ended what many in its hey-day had grandiloquently hailed as England's method of collecting her war debts back from the United States. Prices had over some years been run up to as high as $1,23 a pound and inevitably that led Dutch and other plantations to extend their estates enormously. They refused to restrict with the British and in fact saw nothing but gain for themselves in selling all they could grow while protected from loss under the British umbrella. Then when the enormous output because insupportable and prices dropped to what eventually proved a low of 3½ cents a pound, the Dutch saw the matter in a new light and then the British proved unwilling.

Use of "Cellophane" on Textiles

Visibility with protection permits better display and sales mount . . . leading department stores unanimous in endorsation of "Cellophane" as merchandising aid

The April 28 issue of "The Financial Post" carried a full page article entitled "Seeing is Believing." This was the general story of "Cellophane." The article on this page is the third of a series dealing with "Cellophane" in specific industries, published by the "Cellophane" Division of Canadian Industries Limited.

"THIS is all very interesting," says the department store executive or textile manufacturer, "but what does it mean to me individually?"

Looking more closely into the question he, quite naturally, asks, "Can I use this sales stimulus to any large extent in my business? If so, how much is it going to cost me to adopt 'Cellophane'? Will the increase in sales compensate me for the extra cost?"

The answer to these questions is found readily, for the use of "Cellophane" while still in the period when pioneering efforts are discovering new rewards, has, nevertheless, undergone tests and trials that provide proof of its value.

The road to increased sales through "Cellophane" has led through many industries; one who has briefly surveyed the general story of "Cellophane" might draw the conclusion that all the merchant or manufacturer needs to do is to wrap his goods in it and "Cellophane" does the rest.

This is certainly not true of the textile field. "Cellophane" must be applied intelligently and with understanding — understanding not only of what "Cellophane" itself can do but—and more important—how the qualities of "Cellophane" can best be adapted to play their part in the ever-recurring drama which takes place at the counter where textiles are displayed for sale. The character of the drama changes with the type of article. The strategy which sells stockings successfully is different from that which shows a profit in pyjamas. "Cellophane" is the strongest of sales allies in both cases.

"Cellophane" is being used in all parts of the continent to boost profits in quilts, sheets, spreads, blankets, knit goods, pillow cases, shirts, dresses, wash suits, infants' wear, towels, lingerie, night gowns, curtains, napkins, luncheon sets, robes, scarfs, gloves, ties, pyjamas, suspenders, handkerchiefs, silk hose and underwear. But the versatility of its success depends upon an intelligent understanding of the sales problems peculiar to each product and the best way to apply "Cellophane" to this problem.

Broadly, "Cellophane" keeps merchandise clean, reducing and often eliminating "markdowns"; "Cellophane" adds lustre and eye appeal; "Cellophane" makes attractive displays easy. "Cellophane" adds also a personal note to retail selling, for the article a customer buys in "Cellophane" has been touched by his or her hands alone. Yet in each department there will be found different applications, each designed to get the most out of "Cellophane."

"Cellophane" is made in various thicknesses, types and colours. And there is a definite reason for this since hundreds of different varieties of "Cellophane" wraps have been developed, each to meet certain definite conditions.

Some of the factors which must be taken into account are: size of package, weight, type of shipping container (in a strong shipping container lighter "Cellophane" may be used), turnover period (quick selling items require less protection), distribution channels (a retailer doing his own packaging may with entire safety use a lighter weight of "Cellophane" than a manufacturer selling through jobbers or distributors).

Having found the correct type, weight and colour of "Cellophane," the package itself is of prime importance. Shall a box be used or should a sheet of cardboard be inserted to insure rigidity and display value? Is the product one which purchasers insist upon handling? If so, one end of a "Cellophane" envelope may be left open or the retailer may offer for examination one or two samples of the article, the balance being kept sealed for protection.

An interesting experiment in the latter situation—and one that has proved successful—is found in silk hosiery. Women's hosiery sealed in "Cellophane" envelopes which bore a guarantee that the stockings were perfect, have sold remarkably well and at the same time have saved clerks' time incalculably through doing away with the tedious testing at the counter.

NO MARKDOWNS HERE . . . Free from dust and unsoiled by curious, idle handling these sheets invite purchase. One sample sheet offered unwrapped for inspection solves the problem of "feeling the quality." Markdowns reduced to the vanishing point.

"But," says the cautious hosiery department manager, "women will insist upon the packages being opened for testing, anyway."

Let us see. The department manager of a large department store in Pittsburgh reports: "In our entire first promotion, consisting of 1,000 dozen, there were no more than six packages opened by customers. In the second 'Cellophane' wrapped hosiery promotion, I can't recall any package being opened by a customer.

"I believe that most of the women who came in our store appreciated the extra protection the 'Cellophane' envelope insured and the guarantee of the merchandise being untouched.

"The 'Cellophane' envelopes speed up the selling of hosiery. Up to the present time we have had to take no markdowns on 'Cellophane' wrapped hosiery."

"Cellophane" Increases Sales In Many Ways

Every type of textile has its problem and its way of finding increased sales, greater net profits, through "Cellophane." For example, combinations of towels and wash-cloths of the same pattern as well as sheets and pillow cases, selling well when attractively presented in "Cellophane," have pointed the way to other multiple wrappings which have brought increased unit sales to many manufacturers.

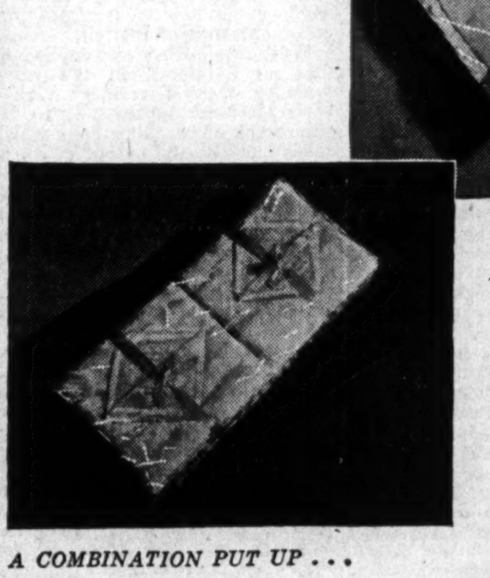
"Cellophane," in most cases, costs slightly more than the old style wrapping—or no wrapping at all. Yet the following true experience is typical of how turnover is speeded up:

"In a recent order the first shipment came in without 'Cellophane'; the second came one month later in 'Cellophane.' The latter sold out completely before the first lot was sold."

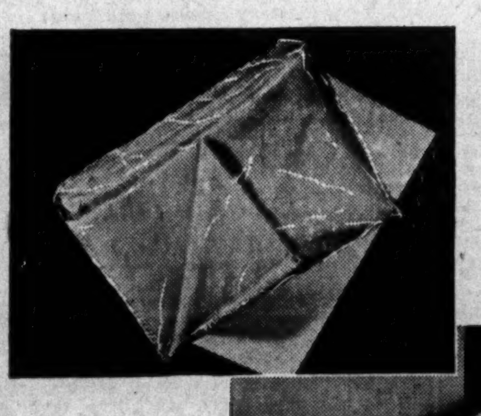
Where, in the textile field, "Cellophane" has been used properly, and costs checked accurately, the answer in the net profit column has been the reason for the ever-increasing use of this modern sales method. In the "Cellophane" Division of Canadian Industries Limited, Montreal and Toronto, is a group of experienced men who compose the Package Development Department. Many textile manufacturers and retailers have profited by taking advantage of their packaging suggestions, while from the Sales Promotion Department many department stores have received advice and assistance in harnessing the vast selling power latent in "Cellophane" to the production of greater sales, more effective merchandising and greater profits.

IDENTIFIED . . .

CLEAN AND FRESH . . .



A COMBINATION PUT UP . . .



SHOWMANSHIP AND UTILITY HAPPILY COMBINED . . .

THAT EXTRA QUANTITY: EYE APPEAL

"Cellophane" in the Department Store

Practical experience proves "Cellophane" value . . . "Cellophane" endorsed by retailers as effective merchandising method

THE history of the sales building advantages of "Cellophane" in the department store field is being written in internal reports to and from departmental heads. From such testing laboratories as the sales counters of the T. Eaton Company Limited and the Robert Simpson Co. Ltd. come these frank endorsations.

To quote D. H. Gibson, Vice-President of the Robert Simpson Co. Ltd.—"Increasingly we are finding it desirable to have 'Cellophane' used as wrapping around merchandise in a great many departments of our store. Merchandise so wrapped, in many cases, is given positions of advantage because of the display feature. We feel the shopper is favourably impressed when she sees merchandise kept clean by the use of 'Cellophane', and the attractiveness of the appearance of the article properly put up in 'Cellophane' adds considerably as a definite sales advantage."

Mr Gibson's comments are echoed in the statement of I. R. Lewis of the T. Eaton Company—"With regard to its use in wrapping textile goods," says Mr. Lewis, "we find it is generally regarded as of great value in enabling the display of white goods or goods of delicate colour and texture without rumpling or soiling, thereby keeping them fresh and saleable with consequent lessening of markdowns."

Retailers' Opinions

The endorsations of these two merchandising experts are significant of the service "Cellophane" is performing. Taking only actual statements, here is the consensus of retailers' opinion about "Cellophane:"

1. Reduces Markdowns because of less soilage. Typical Examples: sheets and pillow cases, shirts, blankets, lamp shades.
2. "Styles Up" The Merchandise—enhances appearance of product and stimulates sales. Typical Examples: cosmetics, drugs, facial tissues, paper specialties, housewares.
3. Creates Goodwill by assuring clean, sanitary merchandise. Typical Examples: infants' wear, women's sanitary goods, surgical dressings.
4. Converts Staple Products Into Gift Items. Typical Examples: books, face towels, linen luncheon sets.
5. Permits Multiple Packaging of Similar or Identical Items, hence higher unit of sale. Typical Examples: soap, towels, Christmas cards, powder puffs, sheets.
6. Permits Packaging of Related Items combining several sales in one. Typical Examples: bath ensembles, tie and shirt, handkerchief and tie, layette sets, soap and wash cloths.
7. Permits Store-Wide Promotion because of ease of handling and reduced markdowns. Typical Examples: shirts, blankets, house dresses, aprons, sheets and pillow cases, handkerchiefs.
8. Reduce Pilferage and keeps sets and combinations intact. Typical Examples: toy sets, toilet sets, games, notions.
9. Simplifies Stock Keeping and Inventory. Typical Examples: curtains, rayon underwear, nightgowns, bathing suits.

In short "Cellophane" minimizes waste, builds goodwill and stimulates sales. It assists in the present trend towards greater mass display, particularly on open type display counters. It protects—yet allows examination. It adds a quality atmosphere and eye-appeal that builds consumer preference.

Some Practical Wraps

Three general methods of using "Cellophane" have been adopted by Department Stores. The first is the direct wrap, by which a product is wrapped or inserted in "Cellophane" alone, with no other intervening material, either in sheet form or in envelopes. Such items as shirts, blankets, infants' wear and hosiery are provided with complete visibility and protection at the same time.

The direct wrap, however, is sometimes not sufficient, and a method known as direct wrap with accessories is advisable. The bulk of the article wrapped, or irregular shape, sometimes indicates the use of cardboard stiffeners or "boats" of cardboard. "Boats" are used for the sake of neatness on such items as socks, garters and neckties.

The third method in common use is the indirect wrap. In this case. "Cellophane" is used either for protection or added styling, or both, over goods which are already packed in cartons. The indirect wrap prevents tampering with the interior container and preserves freshness of the label. Added eye-appeal is furnished and a finishing touch is provided to a de luxe package design.

THE *Lowest Priced* AIRFLOW CAR

IT'S smart to buy a car with a future. Already the Airflow De Soto is making other cars look old-fashioned. A new distribution of weight based on careful tests produces a miracle of easy riding. The engine is balanced over the front axle . . . the rear seat is full twenty inches in front of the rear axle. The result is a car with more room INSIDE than any other car of the same overall dimensions . . . a car with greater riding comfort than any conventional car at any price. A car in which you can read, write, or relax at any speed on almost any road. The Airflow De Soto is the car of the future. . . . wise buyers are enjoying it today.

Airflow DE SOTO

Utilities and Transportation

GATINEAU POWER COVERS CHARGES BY GOOD MARGIN

First Quarter's Earnings on Parity With Those of Last Year

From Our Own Correspondent

MONTREAL.— Gatineau Power and subsidiary companies' consolidated report on earnings for the first quarter of 1934 is on a par with that reported for the corresponding period of 1933.

Consolidated gross revenue, including other income, for the first three months of 1934 totalled $2,255,958. In comparison with the same period in 1933, it is noted that there was a small decline in operating revenue, but this was largely offset due to a smaller loss on exchange.

Small Difference Noted

Net revenue of Gatineau Power for the past quarter totalled $1,962,050, compared with $1,999,584 in 1933. Interest charges on first mortgage bonds, prior liens, debentures, etc. were somewhat smaller than in 1933, leaving a balance available to be added to surplus of $490,487. This compares with $508,074 during the corresponding quarter last year.

Particulars of the income account for the first quarter of 1934, together with comparative figures for 1933, follow:

Quarter Ended March 31

	1934	1933
Oper. revenue	$2,258,945	$2,318,421
Loss on exchange	2,987	49,709
Gross revenue	2,255,958	2,268,712
Net revenue	1,962,050	1,999,584
Int. on first mort. bonds & prior liens	876,998	881,318
Balance	1,085,067	1,118,266
Interest on debent.	268,723	274,808
Other int., amort. of disc., div. on pref. stock of sub.	168,910	176,634
Depr. and amort.	156,987	158,750
Balance	490,487	508,074

Hold to Post Level

Cumulative returns of Gatineau Power and its subsidiaries for the year ended March 31, 1934, show consolidated operating revenue and other income at $9,276,922. This compares with $9,268,991 for the previous year. Net revenue before interest, depreciation, etc. was $8,161,983, as against $8,282,907. The 1934 and 1933 figures are after loss on exchange of $176,823 and $16,458, respectively.

Net revenue of $8,161,983 in the twelve months ended March 31, 1934, was two and one-third times interest on the company's first mortgage bonds and prior liens. After deducting this interest the balance of earnings was $4,644,925, or four and one-quarter times interest on the debentures.

Comparative consolidated earnings for the fiscal year ended March 31, 1934 and 1933, follow:

Twelve Months Ended March 31

	1934	1933
Oper. revenue	$9,276,922	$9,268,991
Loss on exchange	176,823	16,458
Profit on bonds & debent. redeemed	241,035	235,140
Gross revenue	9,341,134	9,487,673
Net revenue	8,161,983	8,282,907
Int. on first mort. bonds & prior liens	3,517,058	3,536,632
Balance	4,644,925	4,746,275
Interest on debent.	1,084,829	1,108,181
Other int., amort. of disc., div. on pref. stock of sub.	699,162	674,983
Depr. & amort.	639,629	639,693
Balance	2,221,305	2,323,418

Winnipeg Electric Net Revenue Gains

From Our Own Correspondent

MONTREAL.—Net income of Winnipeg Electric Co. last April was higher than reported in the same month for 1933. Gross earnings totalled $444,644, compared with $440,632 in April, 1933. Operating expenses were somewhat lower, leaving net earnings of $127,348, a gain of $6,945 over the same month last year. After providing for fixed charges totalling $110,560, net earnings in last April totalled $16,788. This compares with $7,035 for April, 1933.

For the four months ended April 30, 1934, cumulative gross income of Winnipeg Electric was $1,854,808, a decline of $9,447 from the same period in 1933. This loss was offset by a decline in operating expenses, leaving net earnings at $549,810, as against $529,589 in the first four months of 1933. Fixed charges showed a decline at $12,740 for the past four months period, leaving net income of $105,987. This represents an increase of $32,960 over the corresponding months of 1933.

Horses For Fiji

Horse dealers in the Cardston district of Alberta, if present negotiations are successful, expect to ship a boatload of light draft horses to the Fiji Islands via Vancouver shortly.

Public Utility Earnings

Manitoba Power

	1934 $	1933 $	Inc. $
April—			
Gross earn.	105,741	102,509	3,232
Oper. exp.	23,235	23,370	x135
Net earn.	82,506	79,139	3,367
4 Mos. end. Apr.:			
Gross earn.	422,556	412,332	10,224
Oper. exp.	88,715	91,642	x2,927
Net earn.	333,841	320,690	12,151

x—Decrease.

Mexico Tramways

April:	1934 $	1933 $	Decrease $
Gross earn.	203,464	237,368	33,904
Oper. exps. & deprec.	267,420	313,968	46,548
Net earn.	†63,956	†76,600	†12,644
Four Months Ended April 30:			
Gross earn.	816,498	960,518	144,020
Oper. exps. & deprec.	1,071,475	1,266,113	194,638
Net earn.	†254,977	†305,595	†50,618

Mexican Light & Power

April:	1934 $	1933 $	Deficit $
Gross earn.	689,151	735,343	46,192
Oper. exps. & deprec.	453,281	482,418	29,137
Net earn.	235,870	252,925	17,055
Four Months Ended April 30:			
Gross earn.	2,797,113	3,114,785	317,672
Oper. exps. & deprec.	1,758,425	1,961,334	202,909
Net earn.	1,038,688	1,153,451	114,763

Winnipeg Electric

	1934 $	1933 $	Inc. $
Gross earn.	444,644	440,632	4,012
Oper. exp.	317,295	319,328	x2,032
Net earn.	127,348	121,303	6,945
Fixed chgs.	110,560	114,267	3,707
Net income	16,788	7,036	9,752
4 Mos. end. Apr. 30:			
Gross earn.	1,854,808	1,864,255	x9,447
Oper. exp.	1,304,998	1,334,666	x29,668
Net earn.	549,810	529,589	20,220
Fixed chgs.	443,822	456,562	x12,740
Net income	105,987	73,026	32,960

x—Decrease.

Quebec Electric Output Sets Record In April

Central electric output in Canada declined in April as compared with the record level of March but production and consumption in the province of Quebec set a new high record. Average daily production in Canada was 56,555,000 kilowatt hours as compared with 57,931,000 in March while Quebec production was 30,846,000 daily as against 28,444,000 in the previous month. Production in the Maritimes was higher than any month this year but considerably below the level attained in the closing months of 1933.

Compared with April a year ago, both production and consumption were considerably higher in all areas, the most important advances taking place in Quebec and Ontario. In comparison with March this year, the reduction is most marked in Ontario, daily production being down to 15,792,000 from 19,476,000 and monthly consumption to 595,936,000 from 662,832,000.

Electric energy delivered to boilers also showed a sharp advance in April over the previous month, accounted for by gains in Quebec. Total delivered in April was 474,738,000 kilowatt hours as compared with 432,393,000 in March and 291,516,000 in April a year ago.

Production and consumption by economic areas follows:

Production and Consumption of Electric Energy
(Thousands of Kilowatt Hours)

	April 1934 Cons'n	April 1934 Prod.	April 1933 Cons'n	April 1933 Prod.
Maritimes	50,956	49,230	50,495	43,968
Que.	741,218	925,386	557,816	703,886
Ont.	595,936	473,761	456,291	338,386
Prairies	127,928	114,286	......*	97,162
B. C.	168,538	169,943	91,035	92,018

*Figure not available.

CANADIAN HYDRO REVENUE HOLDS IN 1ST QUARTER

First Preferred Earnings Equal to $4.40 a Share

From Our Own Correspondent

MONTREAL.—Canadian Hydro-Electric Corp.'s earnings on its first preferred stock in the first quarter of 1934 amounted to $4.40 a share. This compares with earnings of $4.52 a share for the corresponding quarter of 1934.

During the first three months of 1934 consolidated earnings of Canadian Hydro Electric Corp. amounted to $2,300,895, from which was deducted a loss in exchange of $2,987, leaving a total revenue of $2,297,908. For the first quarter of 1933 operating and other income totalled $2,362,477, loss on exchange $49,709, and net revenue of $2,312,768.

Small Decline Noted

After deducting all charges, including depreciation, earnings in the first quarter available for dividends on Canadian Hydro-Electric Corp.'s first preferred stock amounted to $548,801 compared with $565,225 for the first three months in 1933.

Comparative figures on income for the first quarter of 1934 and 1933 follow:

Quarter Ended March 31

	1934	1933
Oper. revenue	$2,300,895	$2,362,477
Loss on exchange	2,987	49,709
Total revenue	2,297,908	2,312,768
Net income	1,944,164	1,975,024
Int., amort. of disc., and pref. div. of subsid.	1,236,881	1,249,099
Deprec. & amort.	158,482	160,700
Balance	548,801	565,225

Trend is Reflected

In the twelve months period ended March 31, 1934, consolidated operating revenue and other income was $9,454,012 against $9,490,556 in the preceding year. Net revenue before interest, depreciation, etc., totalled $8,074,627 compared with $8,227,536. Prior charges were somewhat less during the past twelve months, while depreciation and amortization charges show a slight increase, leaving a balance available for Canadian Hydro-Electric Corp. dividends of $2,455,544. This compares with $2,564,810 in the twelve months ended March 31, 1933.

Comparative consolidated profit and loss statements for the twelve months ended March 31, 1934 and 1933, follow:

Twelve Months Ended March 31

	1934	1933
Oper. revenue	$9,454,012	$9,490,556
Loss on exchange	176,823	16,458
Profit on bonds and debent. redeemed	241,036	235,140
Total revenue	9,518,224	9,709,238
Net income	8,074,627	8,227,536
Int., amort. of disc., and pref. div. of subs.	4,972,441	5,022,785
Depr. & amort.	646,642	639,941
Balance	2,455,544	2,564,810

Note: Dividends on the $12,500,000 par value of outstanding 6% first preferred stock total $187,500 a quarter or $750,000 a year.

Price Bros.' Committee Asks for Common Support

From Our Own Correspondent

MONTREAL — Unless some more favorable offer under equally strong sponsorship is put forward in the meantime, the common shareholders' protective committee of Price Bros. and Co. recommends acceptance of the reorganization plan as sponsored by the Bowater's Paper Mills, Duke-Price Power Co., London Daily Express and the Anglo-Newfoundland Development Co.

In a communication addressed to the common shareholders of Price Bros., E. Decarie, on behalf of the committee, stated that the proposal put forth by the four underwriters had been carefully considered and it was the unanimous opinion of the committee that in so far as the common shareholders of the company are concerned, it is as good as the former proposal previously voted upon.

Mexico Tramways Co. Cuts Operating Costs

Mexico Tramways Co. and subsidiaries gross earnings for April were $203,464 which was below the gross of April, 1933, when $237,368 was earned. Operating expenses, on the other hand, were considerably lower this April, being $267,420 as against $313,968, thus reducing the monthly deficit from $76,600 a year ago to $63,956 in April, 1934, an improvement of $12,644.

For the four months ended April 30 the same trend of lower operating expenses was noted, with a loss of $254,977 in 1934 as against $305,595 for the same period in 1933. Gross earning for the first four months this year were $816,498 as compared with $960,518 a year ago while the operating expenses were $1,071,475 against $1,366,113.

Manitoba Power Co. Income on the Upgrade

From Our Own Correspondent

MONTREAL.—Manitoba Power Co., subsidiary of Winnipeg Electric Co., reports an increase in earnings during last April. Gross income for the month amounted to $105,741, a gain of $3,231 over the corresponding month of 1933. Operating expenses were reduced by $135, leaving net earnings of $82,506, compared with $79,139 for the same month last year.

For the four months ended April, 1934, Manitoba Power had a gross income of $422,556. This represents an increase of $10,224 over the corresponding period of 1933. Part of this gain was offset by a small increase in operating expenses, so that net earnings at $333,841 were $12,151 greater than in the first four months of 1933.

C. N. R. REVENUE GAIN ESTIMATED AT $17,000,000

Fullerton Outlines Financial Needs During Current Year

From Our Own Correspondent

MONTREAL. — Gross revenues for the Canadian National Railways System for the current year are estimated at $165,000,000 by C. P. Fullerton, chairman of the board of trustees. This represents an increase of approximately $17,000,000 as compared with 1933.

Financial needs of the system were discussed by the Board of Trustees with the House of Commons Railway Committee. The committee has approved a bill providing for payment of $48,840,298, representing the estimated deficit of the system for the current year.

The bill also provides for an issue of notes amounting to $16,387,835 to take care of capital expenditures and for a refunding issue amounting to $37,570,583.

Will Abandon Lines

In connection with economies the trustee of the Canadian National contemplate abandonment of many lines of a non-productive nature. Mr. Fullerton did not specify before the committee which lines it was proposed to abandon but said the trustee will shortly make application to the Board of Railway Commissioners for authority to proceed with that policy.

Line abandonments would take place only where there was duplication of services with the Canadian Pacific Railway. Residents in the areas affected will be given prior notice of the intention of the trustees and they will be given opportunity to appear before the Board of Railway Commissioners in order to present their own case.

CANADIAN FOREIGN INVESTMENT CALL DEBENTURE BONDS

Brazilian Cement Holding Concerns Redeem All of Funded Debt

From Our Own Correspondent

MONTREAL.—Official notice is given by Canadian Foreign Investment Corp. that on August 1, 1934, the company will redeem all its outstanding 7 per cent collateral trust debentures, ordinarily due on July 1, 1949. Payment will be made at the holders' option in either Canadian or United States funds. Inasmuch as the debentures are called before the maturity date, the company will pay a premium of 5 per cent on the principal amount.

At the end of last year Canadian Foreign Investment Corp.'s balance sheet showed outstanding $499,000 of collateral trust debentures. Originally there were $1,000,000 of debentures issued privately to registered holders of 100 or more preferred shares of the company. The last block of the debentures issued by the company was in 1931 when $50,000 was sold. Frequent redemptions have been made by the company and at the beginning of this month a block of $233,000 was retired, leaving the net outstanding amount to be redeemed on August 1 at $226,000.

Canadian Foreign Investment Corp. is a holding company, controlling the Brazilian Portland Cement Co. Income from its investment in the cement company has been well maintained, averaging about $350,000 annually in the last three years. Debenture interest has been covered by a substantial margin and in 1933 the company instituted a dividend on its common stock.

Mexican Light & Power Earnings, Costs Lower

Mexican Light and Power Co.'s net earnings were reduced in April, being $235,870 as compared with $252,925 for the same month a year ago. Gross earnings were $689,151 against $735,343 in 1933 and operating expenses $453,281 as against $482,418.

For the four months ending April 30 net earnings were down almost ten per cent from a year ago, being $1,038,688 as compared with $1,153,451. There was a slight improvement in the ratio of operating expenses to gross earnings, the former being reduced 10.35 per cent from a year ago or $1,758,425 against $1,961,334 while the gross earning for the first four months were down from $3,114,785 in 1933 to $2,797,113 or a decrease of 10.2 per cent.

Latest Topographical Map Shows Elevations in Scale

Drawn from photographs taken from the air, the Topographical and Air Survey Bureau of the Department of the Interior has just issued a new topographical map of the highlands of Quebec, about 50 miles northwest of Montreal. The area covered is known as the Lachute district.

Although Canada was the first country to take up air photographic surveyings, it was not until recently that by means of a stereoscope, the hills and valleys of a district were shown in their proper scale.

SEEK PURCHASER PHYSICAL ASSETS OF WINDSOR ROAD

Windsor, Essex & L. S. Ry. Equipment to be Sold — Bonds' Status

All the physical assets of Windsor Essex and Lake Shore Electric Railway Co. are being offered for sale by tender by the Guaranty Trust Company of Canada, Windsor, trustee for the holders of the railway's debentures.

It is hoped that bids may be received from mining companies, railway companies, or dealers in scrap metal, for the lines, tracks, rolling stock and substation equipment for its salvage value.

Municipalities Liable

The railway is the property of nine of the Ontario Border Cities municipalities. The company sold bonds, and the various municipalities deposited their own bonds as collateral. Most of the bonds of the municipalities, which are held by the trustee, for the railway bonds, are in default of both principal and interest.

The nine municipalities deposited some $1,100,000 of their bonds as security for the $1,000,000 of the railway's bonds. The railway is also understood to owe some $300,000 to banks and private creditors. There is believed to be some additional liability to the Ontario Hydro for operating deficits.

In addition to the liability under their deposited bonds, the nine municipalities are understood to be jointly and severally liable for the debts of the railway company, which they own.

When the railway went into default, the bondholders' trustee took possession. The Ontario Hydro was managing the railway for the municipalities. Had the railway been a paying proposition, the municipalities would never have had to pay on their bonds, it is understood. Since the default occurred, however, the operation of the line has been abandoned, and the municipalities are being called on.

Meaning of Sale

Sale of the physical assets is not expected to provide anything for bondholders. It is anticipated that proceeds will be held by the trustee and first applied on expenses. The future for bondholders is dependent on the affairs of the various debtor municipalities. Until some settlement of the debts of the defaulting towns and cities is made, it is not expected that there will be anything available for the railway bondholders.

The joint and several liability of the municipalities is only considered of value, if the larger communities are able to pay something. It is believed that collection of the whole railway debt from the smaller debtor municipalities would be virtually impossible.

The municipalities owning the road, and the amount of bonds deposited by each, are as follows:

Windsor West	$ 56,657
*Sandwich East	56,882
*Sandwich South	44,365
Gosfield North	104,463
Gosfield South	138,203
*Essex	81,297
Kingsville	105,390
Leamington	159,254
*Windsor	354,488

*In default.

Fuel Oil Shortage Feared As Demand Mounts High

What Was Cheap Excess By-product Problem Seven Years Ago is Now Much-wanted Product — Too Much Crude Turned Into Gasoline Which Was Shortage Product Some Years Ago

The pendulum has swung both in United States and Canada so that where there was a scarcity of gasoline and an excess of fuel oil some seven or eight years ago there is now a potential surplus of gasoline and a shortage of fuel oil.

When the excessive supplies of fuel oil developed in the early twenties the oil refiners turned their attention successfully to development of cracking coils which could increase the output of gasoline from a given crude while decreasing the fuel by-product. At the same time attention was turned to crudes that helped to swell the gasoline volume and concentrated sales effort was turned on increasing the market for fuel oil in industry, in homes and on railroads.

It will be a surprise to most Canadians to learn that fuel oil consumption by industries and in other ways exceeds consumption of gasoline and that in Saskatchewan and parts of Ontario it has been a pinch to provide all the fuel oil required. This situation has been rendered a little more acute in Ontario by reason of the great demands on heavy crude oil for asphaltum because of the enlarged highway programme of the Ontario Government this year.

Heavy Crudes Gain Value

The Montreal refinery of Imperial Oil has been getting large quantities of the heavy crude from Venezuela so that it is able to meet all demands from Quebec and to ship in to meet the keener demand from Ontario. It is curious that some years ago these heavy crudes went begging but the increasing demand for fuel oil may make these of much greater value. Before the automobile came along gasoline was the product of little value whereas kerosene was highly valued. The latter's use grows less from year to year as an illuminant.

This is no more than a temporary situation all over the Continent as the refiners will have no difficulty in getting the crudes and adapting the processes to meet the market situation. In the United States the situation is worse than in Canada because imports of low naphtha content crude oil were greatly reduced by agreement between importers and the Federal Government and by heavy duties. This was to help the United States producer but it did reduce the supply of fuel oil and gas oil on the Eastern seaboard. United States crude is high in gasoline content and produces even more under cracking processes. Yet the total requirements of gasoline determine just what crude will be used and therefore the amount of fuel oil. A switch to heavy crudes will in the end correct the situation.

Four years ago consumption of heating oil in the United States was 14,000,000 barrels. In 1933 it was 74,000,000 barrels. Similar gains have been made in Canada.

Laura Secord Earnings Hold Level of 1933

Laura Secord Candy Shops, Ltd., sales and earnings for the first eight months of the fiscal year which commenced October 1, 1933, have been about the same as for last year, when the regular dividend of three dollars was earned by a margin of 79 cents per share, The Financial Post understands. Candy sales generally, according to a government estimate from Ottawa, have fallen off steadily from the high point in 1929, though it is believed there has been some improvement in the last six months.

Increase Wages

The recent reduction in the sugar tax of from two to one cent per pound has been a favorable factor in the candy business, but the reduction as applied to the total cost of average candy per pound is described as very slight. When the tax was applied a few years ago it was entirely absorbed by the candy manufacturers and the recent reduction has not affected the retail price. In the case of the Laura Secord Co. it is understood that this tax, among other things, was passed along to the employees in the form of a recent raise in wages.

Potatoes From Prairies

While the Prairie Provinces are not as yet important in potato production they are making headway and in 1933 furnished about a twentieth of the total for the Dominion.

More Shingle Mills in B. C.

Seventy-eight shingle mills operated in British Columbia in 1933, the largest number in ten years. The production was 500,000 feet a day greater than in 1932 and about equal to the 1929 total.

June Dividend Payments Up $23,267,618, From '33

Increased Disbursements By Imperial Oil, International Petroleum and Noranda Mines Chiefly Responsible For Rise

Here is a part of the Canadian national income that will show a big gain for June.

Dividend payments to be made by Canadian corporations in the month of weddings will be more than twice as much as for the same month in 1933. Interest payments are also higher, but not nearly as much as dividends. The net result is that dividends and interest to be paid in June will amount to $71,743,733, compared with $48,476,115 in the 1933 month, an increase of $23,267,618.

The increase is largely due to declaration of an extra of 15 cents a share by Imperial Oil and 44 cents by International Petroleum, and the combining by both companies of two ordinary quarterly payments into a single semi-annual disbursement. But Noranda Mines is a big factor, and will pay $1 a share this month. Another important increase is by McColl-Frontenac Oil Co. And Acme Glove Co. is paying its first dividend on the preferred stock since Dec. 15, 1930.

Comparative totals, and interest and dividends payable in June are as follows:

Summary of Payments

	1934 $	1933 $
Dividends	40,163,489	17,497,407
Bond Interest	31,580,244	30,978,708
Total	71,743,733	48,476,115

Dividend Payments

Company	Rate	Date	Amount
Acme Glove pref.	1¾q	15	$ 7,491
Andian Nat. (11)	$1s	1	2,550,000
Bk. of Montreal	$2q	1	720,000
Bk. Can. Nationale.	$2.50q	1	175,000
Bk. of Toronto	$2.50q	1	150,000
Belding-Corticelli pf.	$1.75q	15	15,143
Bright, T. G.	7½cq	15	7,500
Do., pref.	1¼q	15	12,000
Bulolo Gold	60c	30	459,000
Canada Malting (26)	37½cq	15	74,614
Can. Bk. of Commerce.	$2q	1	600,000
Can. Hyd. Elec. 1st pfd.	1½q	1	187,500
Can. W. Nat. Gas pfd.	1.50q	1	52,500
Cons. Div. Std. Secs. pfd.	25cs	15	12,729
Crow's Nest Coal	$2	1	124,252
Dom.-Scottish Inv. pfd.	†33-1/3c	1	19,900
Falconbridge Nickel	5c	20	163,935
Ham. Un. Theat., pfd.	1¾q	30	13,787
Hollinger Gold	1+1%	18	492,000
Imperial Oil (41)	25cs	1	6,714,288
Do., extra	15c	1	4,028,572
Imp. Tobacco c.	8¾cq	30	826,965
Inter. Milling 1st pfd.	$1.75q	1	61,526
Do. "A" pref.	$1.50q	1	13,767
Inter. Nickel c.	10c	30	1,458,402
Inter. Petroleum (41)	56cs	1	8,021,480
Do., extra	44c	1	6,302,598
Do., pref.	56cs	1	112,000
Do., extra	44c	1	88,000
Inter. Proprietaries A	65cq	15	145,122
Lake Shore Mines	50cq	15	1,000,000
Do., extra	50c	15	1,000,000
Laura Secord	75cq	1	43,125
Loblaw Grocet. A&B.	25cq	1	209,506
Do., extra	15c	1	125,703
McColl-Fron. c.	20cq	15	110,000
McIntyre-Porc.	25cq	1	199,500
Do., extra	12½cq	1	99,750
Do., bonus	12½c	1	99,750
Montreal Cot. pfd.	1¾q	15	52,500
Montreal Loan & Mtg.	75cq	15	18,000
New Method Laundry, pfd.	1⅝q	1	4,062
Noranda Mines	$1	30	2,239,772
N.S. Light & Pr. pf.	1½q	1	18,750
Ogilvie Flour, pref.	$1.75q	1	35,000
Provincial Bank	$1.50q	1	60,000
Reliance Gr. pfd.	1⅝q	15	32,500
Rolland Paper pfd.	1½q	1	22,500
Royal Bank	$2q	1	700,000
Siscoe Gold	3cq	30	138,301
Do., bonus	1c	30	46,100
Sylvanite Gold	5cq	30	164,975
H. Walker-G. & W. pfd.	25cq	15	115,518
West. Can. Flour, pfd.	75c	15	18,097
			40,163,489

†For 4 months.
q—Quarterly. s—Semi-annually.

BOND INTEREST DUE IN JUNE

Company	Rate	Date	Due	Amt.
Adel.-Peter Bldg.	6¼	1	1948	$ 11,136
Alta. Pac. Grain.	6	1	1946	80,970
Auditorium	6½	1	1944	9,236
Barcelona Tr. 1st mtge.	5½	1	1974	224,479
Bawlf Terml. "B"	6	1	1942	6,150
Bell Tele. "B"	5	1	1957	750,000
B. C. Tele. "A"	5	1	1960	250,000
Canada Paper 'A'	6	4	1945	43,000
C.N.R. (Dom. Can.)	4¾	15	1955	1,187,500
Do.	4½	1	1968	787,500
Can. Nor. Rly. 1st mtge.	4	1	1939	160,600
Do., Alta., gtd.	4	1	1939	111,732
Do. gold deb.	7	1	1940	332,263
Can. N. West. Rly.	4½	1	1942	144,540
C.P.R. Trust (Gold)	5	1	1954	750,000
C.P.R. Note Cert.	4½	15	1944	484,278
Cons. Press	6½	1	1949	18,973
Consumers' Glass	5	1	1948	31,012
Deer Park Manor.	7	1	1940	5,040
400 Avenue Rd.	7	1	1946	9,314
For. Pr. Secs. 'A'	6	1	1949	125,160
Gatineau Power	5	1	1956	1,756,663
Do., S.F. debs.	6	15	1941	324,615
H. Smith Pap. "A"	5½	1	1953	180,047
Ind. Accept. "A"	6	1	1946	28,155
Inv. Bond & Sh. 'A'	5	1	1947	58,025
Lake & Rail Ware. "A" & "B"	6	1	1951	54,810
Lon. Can. Inv. 'A'	4½	1	1948	100,338
Montreal Coke "A"	5½	1	1947	100,347
Montreal Apts.	7	1	1938	21,542
Mt. Royal Hotel	5½	1	1947	97,900
Nat. Paper Box	6½	1	1936	3,250
N. Que. Pr. "A"	6	1	1945	79,500
N.S. Light & Pr.	5	1	1958	105,625
Power Corp. "A"	5	1	1957	56,905
Quebec Power	5	1	1968	199,687
Ritz Carlton Hotel	5	1	1942	16,187
Riverside Iron	7	1	1947	6,562
Rolland Paper "A"	5½	1	1948	63,882
Shaw Cotton	6	1	1949	22,605
St. Maur. Val. Cot.	6	1	1952	55,707
Standard Clay	6	2	1942	13,737
St. Regis Paper	6½	1	Serial	29,250
Wabasso Cot.	6	1	1947	22,530
Windsor Arms	6½	1	1947	11,375
Windsor Htl. "A"	6	1	1947	30,273
Windsor Htl., S. Ste. Marie	6½	1	1950	10,562
Corporation bonds				9,473,523
Municipal bonds				6,486,682
Provincial bonds				5,886,242
Dominion loans				9,733,791
Total				31,580,244

CANADA DRY PUSHED DEPRESSION SALES

"No matter what else happens we must maintain our position," Canada Dry Ginger Ale, Inc., decided at the beginning of the depression four years ago, according to an address delivered by P. D. Saylor, president of the big international company before the recent annual convention of the Advertising Affiliation in Toronto. The real property of the company was trademarked, packaged product, with an enormous reputation built up at great expense and to maintain that reputation maintenance of volume was thought necessary.

Successive Step

Prices were reduced substantially early in 1930 first by a straight reduction, amounting practically to twenty per cent, and later by the introduction of quart bottles in place of the usual pints. The idea was to forego unit profits but to encourage the public to continue using ginger ale, and even increase the popularity of the beverage by giving them larger quantities for the same money. But hand in hand with this policy of reduced prices, went protection for the dealers and these were reimbursed for any losses sustained in the price reductions. Special packages, whereby the consumer got his ginger ale at a still lower price when quantities of six or more bottles were purchased, were also introduced in limited areas and later under the "returned bottle plan," the consumer, instead of purchasing the beverage and containers outright, simply paid for the contents and later was given a full refund on the bottle.

All through 1930, 1931 and 1932 there was no decrease in the support of the sales force and advertising was maintained at full schedule. As a result sales of Canada Dry ginger ale were 29 per cent greater than they would have been had sales declined at the same rate as throughout the entire beverage industry.

To meet the expected competition from beer in 1933 a new plan was devised whereby the wholesaler and retailer, provided he contracted ahead for large quantities would be extended graded credit up to 60 days.

Fully Secured by Dominion of Canada Subsidy

St. John Dry Dock and Shipbuilding Company Limited

First Mortgage 4% Bonds
Due July 5th, 1943

Government of the Dominion of Canada is unconditionally bound, throughout the life of the Bonds, to make subsidy payments to the Trustee for the holders of the Bonds, sufficient to pay principal and interest when due.

These Bonds are authorized investments for Trustees in the Province of Ontario.

Price: 100 and interest, yielding 4%

Descriptive circular gladly furnished upon request.

Wood, Gundy & Company Limited
36 King St. West, Toronto — Tel. Elgin 4321
Toronto Montreal Winnipeg
Vancouver New York London, Eng.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.

Owning and operating mills at

Beaupré, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.

Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

ONTARIO

DEPARTMENT OF HIGHWAYS
MOTOR VEHICLES BRANCH

AN OPEN LETTER TO PEDESTRIANS:

Are motorists right when they say you are more than half to blame?

While figures cannot be depended upon to tell the whole truth, last year's accident records leave no room for doubt that there are reckless walkers as well as reckless drivers.

Last year 2,821 pedestrians were killed or injured in Ontario in automotive accidents. Many of these persons came to grief while violating a simple rule of safety . . . crossing a street between intersections . . . crossing diagonally at intersections . . . crossing against traffic signals . . . "hitching" . . . or coming from behind parked vehicles. Of the total number, 1,107 were children playing in the street.

Records show that in many of these cases the driver never had a chance. Accidents happened while he was doing his best to drive safely!

This department is more deeply interested in making the streets and highways of Ontario safe, especially for children, than in any other public duty. The conscientious motorist has been appealed to in many ways; several of his privileges have been restricted in an effort to make life safe in traffic for all. I know that this appeal to the pedestrian will find ready response among those who walk more often than they drive, and especially in the hearts of fathers and mothers of little children.

Will *you* co-operate? Will you help to stem the tide of needless bereavement and suffering by observing the simple rules of safe walking that make all the difference between safety and the jeopardy of life and limb? And you parents — will you not give your children a chance by teaching them the need of care for their own safety?

[signature] Macaulay
MINISTER

Toronto, May 7th, 1934.

News of Investment Markets

BONDS SOFTER HOLIDAY MADE TRADING QUIET

Saskatchewan Issues Down on News of Crop Damage

Weakness predominated in Canadian bond trading in the week ended June 5. The King's birthday holiday was observed by most of the bond community of June 2 and June 4, so that trading was quiet for the week.

The decline of gilt-edged securities resulted in a drop in average price for seven bonds from 110.36, the high for 1934 on May 29, to 109.93 at June 5. Concurrently The Financial Post's average yield rose from 3.823 to 3.866 per cent.

This is shown below:

Average Yield and Price for Seven High-Grade Canadian Bonds

	Yield %	Price $		Yield %	Price $
June 5	3.866	109.93	May 29	3.823	110.36
June 1	3.831	110.25	May 28	3.841	110.14
May 31	3.829	110.29	May 15	3.891	109.23
May 30	3.823	110.36	May 8	3.970	108.72

Crop Damage

News of crop damage on the prairies resulted in some weakness in Saskatchewan issues, losses ranging from one-half to 1½ points. The province is in the centre of the grain belt. Other western provincial loans showed a mixed trend with fractional losses dominant.

A long list of fractional losses was recorded for corporation bonds. Among major declines was a drop of 2¾ points to 108⅞ for C.P.R. convertible 6's, due to flotation of the new convertible four per cent loan, into which many holders of the 6's switched. Gypsum 5½'s of 1948 dropped three points to 78 after several weeks of strength.

Some Good Gains

Some substantial advances were also recorded. General Steel Wares 6's of 1952 gained another point to 87 bid, on reports of higher earnings. Maclaren-Quebec 5½'s of 1961 were up a full point at 100¾ bid, and talk of a $6,000,000 flotation persisted. Abitibi 5's of 1953 were up two points to 40½, recovering part of recent losses. Beauharnois 5's of 1973 gained three points to 56.

Province of Prince Edward Island sold $500,000 of 2-year 3's at 100.067. In financial circles, some doubt was expressed of the wisdom of provincial authorities refusing a bid of 100.65 for 10-year 4's.

I.P. & P. NET LOSS IS MUCH SMALLER SO FAR IN 1934

Reduced Funded and Banking Debt—Accounts Payable Lower

From Our Own Correspondent

MONTREAL.—International Paper & Power Co. gross revenues in the first quarter of 1934 were 20 per cent higher than in the same quarter of 1933. Increased taxes and costs offset much of this advantage but nevertheless the net loss, after all charges, was only $980,975 as compared with a net loss of $2,239,073 for the first three months of 1933.

Advances in financial strength were made, notably in the reduction of the consolidated funded debt by $1,276,066, of the consolidated notes payable by $1,166,703 and bank loans by $1,000,000 (the latter reduction being made on April 1).

Archibald R. Graustein, president, states that the new United States revenue bill takes away the rights which companies have had since 1917 of filing income tax returns under certain conditions on the basis of consolidated returns. This appreciably increases tax burdens in the case of utility and power subsidiaries particularly.

Unpaid cumulative dividends on 7 per cent and 6 per cent preferred stocks from April 1, 1931, to March 31, 1934, amount to $19,731,828.

Consolidated Statement of Profit and Loss

	Qtr. end. March 31 1934 $	Qtr. end. March 31 1933 $
Gross revenue	35,929,649	30,031,891
Cost of sales	25,113,686	20,860,113
Net oper. revenue	10,815,963	9,171,777
Profit on bonds red.	180,867	245,879
All net revenue	10,996,830	9,417,657
Less: Interest	5,028,134	5,184,326
Depreciation	2,611,618	2,209,278
Depletion	174,151	155,916
Amortization of disc. and expense	338,026	331,319
Res. for inc. taxes	588,599	533,411
Dividends†	2,215,493	2,239,141
Dividends accrued†	647,943	635,364
Minority int. in earn. of subs.	373,839	367,971
Net loss	980,975	2,239,073
Former deficit	2,600,190	3,204,158
Present deficit	3,581,165	965,085

†The first item of $2,215,493 is for dividends currently paid on preferred and minority common stocks of subsidiaries, the second item of $647,943 for dividends accrued on such stocks but not paid.

Government, Municipal, Public Utility and Industrial Bonds

List of current offerings furnished on request

NESBITT, THOMSON and Company Limited

355 St. James Street, Montreal

Branches in all Principal Cities of Canada

119

Investment Notes

Significant Investors' Index Numbers

1926 = 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.6	163.6	235.4
Low	36.8	1.4	34.9	78.6	44.0	66.5	27.2	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.8	129.4	141.8	128.5	58.0	90.8
April	114.9	13.2	75.2	159.4	76.8	134.8	138.0	133.0	58.1	93.4
Weekly Figures, 1934:										
May 3	112.6	13.2	72.7	162.7	77.7	140.2	146.6	134.5	58.8	99.0
May 10	106.9	13.2	74.0	160.4	78.1	136.7	133.8	131.0	57.7	97.0
May 17	104.2	12.9	74.6	155.0	78.4	133.6	132.2	127.7	56.7	95.0
May 24	105.1	13.2	74.0	156.7	78.2	132.3	129.6	128.6	56.6	95.3
May 31	104.6	13.2	74.3	160.9	77.7	133.5	131.5	128.5	55.7	95.2

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator on page one.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
June 5 close	102.81	128.45	96.72
June 2 close	102.33	119.88	96.52
Week ago	104.21	120.29	99.43
Month ago	104.55	117.41	99.67

International Pete Only Gainer

IN MAY International Pete was the only one of the ten most active stocks to register a gain. Others on active selling were off except Imperial Oil which was unchanged.

Stock	May Sales	April Sales	Price Changes
Nickel	90,602	88,290	off 2
Walkers	77,598	30,516	off 4½
D. Seag.	38,985	42,005	off 3½
Brew. & D.	34,124	55,914	off 40
Imp. Oil	33,312	65,627	unch.
Int. Pete	25,866	70,498	up 1
Brew. Corp.	23,306	71,830	off 1¾
C. P. R.	20,391	19,428	off ¾
Brazil	20,220	19,403	off 1½
Ford A	19,102	40,816	off 1¾

For the list as a whole 148 issues appeared in trading of which 51 made new highs in the early part of the month and 48 issues made new lows for the year around the last few days of the period.

Toronto Transactions

OPERATIONS on the industrial and mining sections of the Toronto Stock Exchange for May totalled 23,184,366 shares. Dollar value of transactions for the month totalled $33,067,549, bringing the amount for the year to date to $241,899,022. The table below allocates dollar values to their respective floors:

May Industrial	$14,882,228
May Mining	18,565,321
Apr. Industrial	16,424,802
Apr. Mining	36,960,712
Mar. Industrial	22,821,316
Mar. Mining	40,821,772
Feb. Industrial	24,355,747
Feb. Mining	22,432,773
Jan. Industrial	26,534,045
Jan. Mining	18,100,306
Total	$241,899,022

INVESTORS who have been "holding on" for many months of depression are now beginning to view things in a brighter light. Dividends on several industrial issues are being resumed, increased or paid up. This week Marcus Loew's Theatres resumed regular quarterly payments. Riverside Silk Mills announced payment of another 20 cents of arrears. Canadian Celanese is to pay another 75 cents of preferred dividend arrears.

Other encouraging dividend news has been the recent increase of 20 cents in the annual rate on McColl-Frontenac common, and higher rates for Imperial Oil and International Petroleum. Canada Packers is another company that has been paying off preferred arrears steadily, and which may pay a common dividend this year.

This is all significant of the times.

During the period of falling business, corporations were busy cutting costs to meet the new state of things. The recovery of the last year has resulted in increased profits. Because of the cost-cutting period, many companies are now able to earn dividends on what would have been considered small volume four years ago.

* * *

Coffee Burning Speeds Up

THOSE who feared that the slackening off in 1934 of coffee burning in Brazil meant a weakening in the policy of destroying the unmarketable surplus may draw courage once again from the fact that in the first half of May 471,000 bags went up in smoke as compared with 411,000 bags for all of April and 557,000 from January to March inclusive.

Brazil has burned or otherwise destroyed to date 27,281,000 bags of coffee. In the latter part of 1933 Brazil was getting rid of its coffee surplus at a rate of about one million bags a month. At that rate the world position of coffee would have been adjusted to consumption in 1935. Just what rate will be maintained will depend upon the size of the short crop in 1934. Brazilian Traction shareholders are following the fortunes of coffee closely because in the ultimate restoration of coffee prices they place their hopes for a restoration of exchange strength to the milreis and therefore of dividends on common stock.

* * *

Crops and Investments

REPORTS of severe crop damage in Western Canada will have some bearing on the affairs of Great West Saddlery Co. The company is largely dependent on agricultural purchasing power in Western Canada for its volume of business.

It is still too early to determine whether the effect of the crop damage will be adverse or favorable. Higher prices for wheat may compensate western farmers for the damage to their crops. The general crop outlook, however, is of direct importance to investments of this type.

* * *

C. P. R. and C. N. R. Co-operation

OF SIGNIFICANCE to investors in C. P. R. securities is the recent announcement by the C. N. R. Board of Trustees of plans to abandon unprofitable lines.

As E. W. Beatty, president of the C. P. R. recently stated, co-operation of the two railways toward abandonment of unprofitable lines may not be a complete answer to the need for economies in railway operation in Canada. However, it is evident that the C. N. R. trustees are anxious to make further economies, in co-operation with the C. P. R. And Mr. Beatty's company is willing.

Bond Tenders

7 p.m., June 11, Noranda Catholic School Commission—$25,000, 6 per cent bonds, dated Sept. 1, 1934, redeemable serially during 15 years. F. Hebert, sec.-treas.

8 p.m., June 12, Drummondville—$64,000, 5 per cent bonds, redeemable serially from 1935 to 1964; $35,000 dated April 1, 1934; $29,000 dated July 1, 1934. J. Marier, sec.-treas.

12 noon, June 25, County of Dufferin—$34,000, 5 per cent debentures, maturing 1935-1954. James Henderson, treas., Box 210, Orangeville. (See announcement on page 14).

4 p.m., June 8, Summerside — $40,000, 4½ per cent 20-year bonds.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
St. John D. Dock	5½%	Serial	July 5	105
Rowntree Co.				
Ser. A	6%	10-yr.	Aug. 1	...
Can. Nor. Coal & Ore Dock‡	5%	20-yr.	July 1	105
Ont. Steel	*6%	1943	June 30	...
Nat'l. L. & Pr.	†6%	1949	June 19	...
Can. For. Invest.	7%	1949	Aug. 1	105

‡$49,000.
*$35,892 purchase of bonds for sink. fund.
†$20,950 purchase of bonds for sink. fund.

Railway Earnings

Ten days ended May 31:	1934 $	1933 $	Increase $
C.P.R.	3,295,000	2,813,000	482,000
C.N.R.	4,679,338	4,090,793	588,545

Bond Sales

Province of Prince Edward Island has sold $500,000 of three per cent, 2-year debentures to Hanson Bros., McTaggart, Hannaford, Birks & Gordon, and Harrison & Co. at 100.067, a cost basis to the province of about 2.96 per cent. Bids were invited on 2-year 3's, 5-year 3½'s and 10-year 4's. The highest tender for the 2-year maturity was accepted. Bids for all three maturities were as follows:

	—Bids each basis— 2-yr. 3½'s	5-yr. 3½'s	10-yr. 4's
Hanson Bros., McTaggart, Hannaford, Birks & Gordon, Harrison & Co.	100.067	99.27	99.42
Stewart Jones & Co., Nesbitt, Thomson & Co., Mead & Co., J. C. McIntosh & Co.	99.81	100.27	100.65
Bk. of Montreal, Royal Secs. Corp.	99.69	99.38	99.36
A. E. Ames & Co., Dominion Securities Corp., Wood, Gundy & Co., Eastern Securities Co.	99.679	99.579	99.579
Dyment, Anderson & Co., Griffis, Fairclough & Norsworthy, Cochrane, Murray & Co.	99.51	98.878	99.18
Bk. of N.S., R. A. Daly & Co., Matthews & Co.	99.262	98.271	99.143
Fry, Mills, Spence & Co., Dom. Bank	...	...	99.11
Irving, Brennan & Co., McLeod, Young, Weir & Co.	...	...	98.67

Riverside Silk Mills Pay Off More Arrears

Riverside Silk Mills Ltd., has declared another payment of 25 cents per share on arrears of Class A stock dividends, which makes the second payment of this kind this year. Since the first payment in July, 1928, dividends have been paid regularly each quarter but the rate was reduced to $1 from $2 in July, 1932.

From that date seven quarterly payments of 25 cents per share were made but last April the rate was stepped up to the old figure of 50 cents quarterly. The newly announced payment will reduce arears to $1.25 per class A share.

COMMONS RETAINS MONEY CONTROL IN MARKET ACT

Two Important Amendments in Farm Measure to Date

From Our Own Correspondent

OTTAWA.—While the proposed Marketing Act has undergone a thorough revision in the House of Commons and is likely to be further amended in the Senate, the measure, in broad outline, remains unchanged.

Of chief importance are:

1. Amendments which tie the legislation more definitely to eight varieties of agricultural products, excluding wheat. The marketing policy, it is true, may be extended to all natural products, other than minerals, but only by order-in-council.

2. A change whereby all public funds used by the proposed Marketing Board must be voted in the ordinary way by parliament, thus ensuring debate and thorough enquiry.

Few Other Changes

Otherwise the bill remains much as before. The broad power of regulating, controlling or suppressing existing machinery of distribution remain unaltered. And while the clauses of the bill referring to the taking of a "poll" of producers prior to the adoption of a "scheme" have been clarified and strengthened, the right of the Minister of Agriculture to work out a "scheme" on his own and impose it upon producers is not withdrawn.

A detailed analysis of the amendments to date follow:

There is no change in the title.

The interpretative clauses have been modified. The definition of a "natural product" in the original bill was wide open. It included the products of agriculture, forest, sea, lake or river. This has been changed to include: animals, meats, eggs, wool, vegetables and vegetable products, maple products, honey, tobacco, lumber, and such other natural products of agriculture and of the forest, sea, lake or river, and of any article of food or drink wholly or partly manufactured or derived from any such product that may be designated by the Governor-in-Council."

Automatic Clause Withdrawn

Not only is the definition materially restricted but apart from the products specifically named, the automatic right of producers to come under the act is withdrawn and the authority to deal with other than the agricultural products named is vested in the Governor-in-Council.

The powers of the proposed Marketing Board are circumscribed, particularly with regard to expenditures. The original act authorized the board to draw on the consolidated revenue fund for what money it needed. The amended bill, however, reads:—

"The Governor-in-Council may from time to time authorize payment to the board out of moneys to be appropriated by Parliament of such sums of money as may be necessary to assist in the organization of local boards, to defray the operating expenses of the board, incurred by it directly and any expenditure incurred or authorized by the board under Section 9 hereof."

Provisions Clarified

The powers of the board of control (or prohibit if need be) the sale of any regulated product are clarified but not diminished.

Vagueness in the original bill regarding the authority of the board to conduct a 100 per cent pool are removed by an amendment which says the board may: "conduct a pool for the equalization of returns received from the sale of a regulated product." And the board's right to compensate producers for loss sustained by withholding goods from market is strengthened. Where these goods are withheld because of inferior quality, the right to compensate is entirely withdrawn.

An important addition to the Board's power to assist financially in the construction of facilities for preserving or storing regulated products has been made. The purposes are now extended to cover "processing."

The power conferred on the board in the original bill to acquire, hold or alienate real property is withdrawn.

Nor does the revised bill contain the original sections enabling the board to collect charges for services rendered. These are now modified. Less sweeping powers to establish "separate funds" for individual schemes are contained in the revised bill.

Changes in Procedure

Relatively unimportant changes are made in the procedure of handling applications for "schemes." The new bill directly recommends that they be submitted to a vote of the producers concerned and the minister is to determine what majority is necessary for their approval. And the new bill also provides that if a scheme is brought into effect as a result of a "poll of the producers" it may only be terminated in the same way.

An important change is made in the sections dealing with the restrictions of imports and exports. The original bill bound the government to publish orders made under these sections in the Canadian Gazette after they had been promulgated. The new bill compels the government to publish advance notices of such orders in the Gazette, thus giving the public warning of changes before they become effective. Further "protection" for the general public is contained in a new section instructing the board to file an annual statement of its activities, revenues and expenditures with the government to be tabled in Parliament.

Great Lakes Paper Active; Running 325 Tons Daily

Great Lakes Paper Co. is currently operating its plant at 325 tons of newsprint daily and expectations are for a very fair rate in the remainder of 1934.

The company is now receiving deliveries of wood bought last fall and by summer the company's wood pile will contain sufficient wood to take care of more than a year's requirements.

Stadacona Vein Opened Up

Number 2 vein on the Stadacona property, Rouyn Township Quebec, has now been opened up for a length of about 150 feet on the 300-ft. level. The vein will average better than 10 feet in width, officials state. Channel sampling has indicated an average grade of ore of around $10 per ton, gold at $35.

Distillers Hope For Early Drop In Whisky Duty

Power given to President Roosevelt to make emergency changes in the tariff to the extent of 50 per cent, whenever in his opinion the United States foreign trade can be aided, leads distillery companies in Canada and the United States to expect early lowering of the duty on whisky in the fight to curb bootlegging in the United States.

The present duty is $5 a gallon and has been a decided factor in curbing recent shipments. Both exporters and importers have been holding back on all but immediate needs in order not to get stuck for a $5 duty and allow competitors to bring it in later on a $3 or $2.50 duty.

MOTORISTS HELP TO RAISE REVENUE PROVINCES IN 1934

Reports Indicate Higher Revenue from Gas and Auto Taxes

Current indications are that revenue from gasoline taxes and motor vehicle registrations will be higher this year than in 1933 when funds obtained from this source accounted for approximately 30 per cent of total provincial revenues.

Petroleum imports, for example, are running well ahead of 1933, the total for the first four months of 1934 being thirty per cent greater than in the same period of 1933. Further, automobile production this year to date is more than double that of the same period of 1933 while reports from all leading cities of the Dominion indicate a large increase in sales of used cars as well as new cars.

Gasoline sales in the first two months of the year were restricted by extremely severe winter weather, returns showing the totals to be slightly below the 1933 figures. Since that time, however, there has been a marked pick-up in business, The Financial Post is informed by the leading gasoline companies.

Revenues Down 25 Per Cent

Revenue from motor vehicle registrations and gasoline tax in Canada in 1933 amounted to $46,978,782, a decline of 2.5 per cent from the total of the previous year, according to the preliminary report of the Dominion Bureau of Statistics, issued this week. Of the 1933 total, registrations accounted for $20,511,017 and gasoline tax $26,467,765, both figures being about 2.5 per cent lower than in the previous year.

Registrations of motor vehicles numbered 1,082,957, being nearly three per cent fewer than in the previous year, almost exactly the total estimated by The Financial Post Business Year Book at the close of 1933. Passenger car and truck registrations both declined while registrations of buses and motorcycles were slightly higher. Registrations were lower in every province, Saskatchewan, New Brunswick and Manitoba showing the greatest declines.

Alberta Revenue Up

Only one change in the gasoline tax was made in 1933, Alberta increasing the tax from five cents to six cents a gallon on April 1 of that year. This advance accounted for the increase in revenue in Alberta, actual consumption being reduced from 31 million to about 29 million gallons. However, revenue in New Brunswick, Prince Edward Island and Manitoba increased without any change occurring in the gasoline gallonage tax.

Revenue from registrations and gasoline tax during the past two years are shown in the following table:

Motor Vehicle Revenue and Gasoline Tax

Registrations	1933	1932
P. E. Island	$ 95,282	$ 122,456
Nova Scotia	1,055,940	1,106,825
New Brunswick	758,897	888,866
Quebec	5,091,907	5,231,201
Ontario	7,640,765	7,589,459
Manitoba	883,236	964,790
Saskatchewan	1,480,066	1,518,087
Alberta	1,609,741	1,783,627
British Columbia	1,893,258	1,978,528
Yukon	2,425	2,432
	$20,511,017	$21,126,271
Gasoline Tax	**1933**	**1932**
P. E. Island	$ 166,831	$ 134,398
Nova Scotia	933,571	957,781
New Brunswick	865,790	782,261
Quebec	4,952,764	5,250,172
Ontario	12,852,577	13,510,755
Manitoba	1,643,600	1,514,260
Saskatchewan	1,289,989	1,328,951
Alberta	1,739,240	1,551,227
British Columbia	2,023,403	2,053,511
Yukon	....	....
	$26,467,765	$27,083,316

Provincial Distribution

Analysis of registrations by provinces shows that approximately one-half of all passenger cars are registered in Ontario while that province accounts for about 40 per cent of trucks. Registrations by provinces follow:

Registrations By Provinces

	Passenger Cars 1933	Passenger Cars 1932	Trucks 1933	Trucks 1932
P. E. I.	6,155	6,181	757	768
N. S.	33,133	33,798	6,952	6,958
N. B.	22,890	24,030	3,748	3,819
Que.	130,668	135,594	26,595	27,411
Ont.	453,314	462,923	61,549	63,888
Man.	58,340	61,420	9,790	9,540
Sask	69,503	75,685	14,847	15,292
Alta.	71,400	72,079	14,174	14,293
B. C.	71,439	73,516	15,669	15,933
Yukon	121	129	95	88
	916,953	945,355	154,176	157,990

Can. Biscuit Bondholders' Meeting is Postponed

Meetings of bondholders of Canada Biscuit Co. have been postponed until June 26 for lack of a quorum when holders of the 6 per cent prior lien bonds and the 6½ per cent first mortgage bonds were to have met in Montreal on June 5.

Prior lien bondholders will be asked to modify their claims in respect to sinking funds so that the liquid assets of the company would not be seriously reduced while a similar request is to be made to the first mortgage bondholders regarding default in interest payments.

NEW LEGISLATION OFFERS RELIEF FARM DEBTORS

Two Groups Affected by Important Federal Measure

Two avenues of debt relief apart from usual bankruptcy proceedings are offered Canadian farmers through new legislation introduced to the House of Commons by Prime Minister R. B. Bennett this week. The legislation passed its first reading and received approval from all political parties. Chief difficulty raised by Opposition leader Rt. Hon. W. L. Mackenzie King was that he feared the new plan would meet constitutional stumbling blocks. The act follows closely the plan for relief forecast in The Financial Post of April 14.

First type of farmer to benefit is one who has become so heavily involved in debt that no additional credit is available to him. Under the proposed scheme he can make application to an "official receiver" to be set up in each judicial district. The receiver will be empowered to make an appraisal of the farmers assets and liabilities with a view to scaling down his debts to a point where they can be reasonably met on the basis of an appraised value of the property and its productive value as well.

Loan Board to Rescue

The indebtedness as scaled down would be met either by a loan from the farm loan board or by mortgage companies. The interest rate would be not more than six per cent.

In addition, with the farmer's debts taken care of, provision would be made to supply him with sufficient ready money to carry on through a second mortgage advanced by the Farm Loan Board through mortgage companies on security of the mortgage at an interest rate not greater than seven per cent.

If, after calling a meeting of the creditors the "official receiver" fails to arrange a settlement, the farmer may then take the matter to a provincial board of review or arbitration tribunal consisting of the judge having jurisdiction in bankruptcy and representatives of debtors and creditors. Its decisions will be binding.

Scaling Down Mortgages

Second avenue of relief is proposed legislation whereby the farmer with a long-term mortgage obligation at more than 7 per cent interest is to be enabled to use facilities of the Federal Farm Loan Board, to proffer to the creditor full principal and interest together with three months' interest bonus, and get a discharge of the onerous contract. If the mortgagee declines to accept payment he may not thereafter charge more than 5 per cent interest on the debt.

Existing farm loan legislation is to be amended to extend loaning powers to 60 rather than 50 per cent of property value. This additional borrowing facility is to be proferred the farmer, who has arranged his debt burden with his creditors. The proposal is to advance money on first mortgage at not more than 6 per cent and then, if necessary, a second mortgage amounting to a maximum of 25 per cent of the first will be available at 6½ per cent.

Enabling legislation in the provinces would be required for many of the provisions of the Debt Adjustment Act, and such legislation has already been passed in Alberta and Saskatchewan and others are pending.

Provisions of the Debt Adjustment Act come into operation when proclaimed with the exception of that clause relating to liquidation of mortgages in excess of seven per cent which becomes effective immediately the Act is given royal assent.

Amendments to the Farm Loan Act provide, in brief, for an enlargement of the variety of property that may be taken as security, and for an increase of the amount that may be loaned to two thirds of the property value.

The new proposal is to advance money on a first mortgage at not more than six per cent up to about 40 per cent of the value of the property, secured by the real property of the farmer, as at present. Then a second mortgage amounting to a maximum of 25 per cent of the first, at about 6½ per cent, will be available on the chattels.

For quick action it is provided that where a farm is mortgaged and the farmer unable to secure needed funds for operating expenses the board may advance money to the mortgagee up to one third the amount of the mortgage, who will pass it along to the farmer and assign the mortgage to the board as security for the advance.

The aggregate of all loans will be limited to $7,500.

The debt adjustment legislation will be under the jurisdiction of the Minister of Finance and the costs defrayed by unappropriated moneys in the consolidated revenue fund.

Mortgage and loan company officials decline to comment as yet until they have had a chance to digest the new measure. Although agreeing in principle with plans discussed at Ottawa some months ago there are many details of the new act which are new. One official warned however that the ultimate results of the measure may not be of such sweeping significance as was indicated by last week's press despatches from Ottawa. For instance it was pointed out that in all probability no general scaling down of farm debts will be found necessary, in that appraisal of a farmers "capacity to pay" would in all probability embrace at least the first mortgage now standing on the average farm property. Although no official statement has been made it is believed that a price for wheat of from $1 to $1.25 per bushel at Winnipeg will be used as a yardstick of farm earning power where that commodity is concerned.

Sylvanite Has Net Profit Of 24 Cents Per Share

Annual report of Sylvanite Gold Mines for the fiscal year ended March 31, 1934, showed a net profit of $769,376 or equivalent to 24 cents per share as against dividend requirements of 15 cents per share. This compares with a net profit of $201,923 or six cents per share in the previous fiscal year.

Total value of the production was $1,556,913 recovered from the treatment of 98,311 tons of ore as compared with $899,547 from 96,140 tons of ore in the previous year.

Current assets increased to $1,180,710, while current liabilities were $160,257, leaving a net working capital of $1,020,453 as compared with $707,786 the previous year.

Edward L. Koons, president, reported that the easterly section of the property at Kirkland Lake, between the 1,000 and 500 ft. levels showed substantial bodies of ore higher than average grade ore, resulting in a higher than normal recovery for the year. An increase in the capacity of the mill is under way, planned for completion by August, which will give a capacity of 350 tons daily.

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Marcus Loew's Pays Dividends Redeems Bonds

Marcus Loew's Theatres Ltd. with the last of its bonds paid off or the money on hand for the purpose, has announced a quarterly payment of 1¾ per cent on the preferred stock for the period ended March, 1928. Last previous payment was made in July, 1931. Better pictures and better times, it is understood, are responsible for the increased earnings of this company.

In June, 1919, $600,000 was issued in six per cent first mortgage bonds to be redeemed annually at the rate of $43,000 per year. The last payment fell due this month, and this, it is understood, has been fully cleaned up, thus paving the way for further payments on the arrears of preferred dividends.

New Health Regulations Approved by Mining Men

After an aggressive campaign led by Prospectors and Developers Assoc. and lasting over a year, the provincial Medical Health Regulations applicable to unorganized territories has been changed.

Whereas previously an employer employing any number of men in the bush was responsible for the men's health, and had to pay for their medical attention if they took ill in the bush, even if the affliction lasted a life time, the new regulations considerably ease these burdens.

Under the new rules, if a man employs less than 20 men, excluding one foreman and one clerk, he shall not be required to employ a doctor or sanitary inspector, nor shall he be required to supply hospital accommodation for his workmen. Finally, he shall not be responsible for the care of workmen taken ill in his employ.

This does not, of course, relieve an employer from any of his obligations under the Workmen's Compensation Act.

When an employer has over 20 men, he is then responsible for providing medical, surgical and hospital care, subject to certain limitations.

The association, in a circular sent to its members, judges this new set of regulations "just and fair."

5,000,000 Bu. Grain Fed to Sheep

The sheep industry in Canada is expected to benefit by the recent expansion of lamb feeding enterprise. However, to be successful and profitable says A. A. MacMillan, of the Dominion Livestock Branch, groups of feeders must grow up with the business. He estimates that at least 5,000,000 bushels of grain are fed to sheep and lambs in Canada each year. Of this amount, 3,000,000 to 4,000,000 bushels are oats and the balance barley and mill feeds, including wheat screenings. As lamb feeding and fattening develops, the amount of barley fed will increase from year to year.

Waverly-Tangier Mines—A reorganization has been announced with a new company to be formed having a capitalization of 6,000,000 shares of 50 cents par value each. Old shareholders will receive 3,750,000 shares on the basis of one new share for each two presently held. The balance of the shares is to be used for refinancing the company. The Yorkshire Canadian Trust Co. of Vancouver are transfer agents. New shares of this company were listed on the Vancouver curb May 25. These shares will represent one of the new or two of the old.

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Sensational offering of Men's Tailored To Measure Suits in Connection with the Liquidation of our entire wholesale stock of Woollens.

Men who like to dress well and who are accustomed to wearing only the best in tailored clothes will appreciate this opportunity in being able to buy quality woollens and quality tailoring direct from the wholesale house of one of Canada's oldest and most reputable custom tailoring houses — not at retail, but at wholesale liquidation sale prices.

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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Provincial—							
Prince Edward Island	May 31	Hanson Bros., McTaggart, Hannaford, Birks and Gordon, Harrison & Co.	3%	2-yr.	$500,000	100.07	2.97%
Municipal—							
New Westminster	May 28	C. M. Olivier & Co., and Dom. Securities	5%	30-yr.	107,000	88.079	5.85%

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

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TORONTO, JUNE 9, 1934

GOVERNMENT LIQUIDATES GUARANTEES

GRADUALLY, Mr. Bennett is liquidating some of the guarantees to private interests that he has given during the course of the depression.

The $60,000,000 guarantee extended to the bank loan of the C. P. R. has been reduced to $48,000,000 by the sale of bonds to the Canadian public. It will be a happy day for both the taxpayers and the C. P. R. when this railway, Canada's largest private corporation, has entirely freed itself of entanglement with government finance.

The guarantee extended to the banks in connection with the Beauharnois Power Development has also been liquidated by the sale of bonds to the public.

The government's responsibility in connection with the guarantee of bank loans to the wheat pools must be considerably larger than it was when first assumed, but one can take it for granted that John I. McFarland, general manager of the Central Selling Agency, is selling wheat as rapidly as he considers the export market will absorb it.

The use of public credit for private interests has not been as extensive in Canada during the depression as it has been in the United States, where various agencies have been set up to loan government funds to railways, industries, construction projects, etc.

The Financial Post has criticized all of the three major guarantees referred to, feeling that they were not necessary and implied grave possibilities for harm to the country's financial position. As the economic condition of the country improves and the guarantees can be wiped out, the dangers will disappear. In each case Mr. Bennett's gamble—for he did take a chance in connection with them—will have turned out all right.

The guarantees to the four western provinces are in a different position. The prospect of their being paid off is not very strong at the moment.

The position is that the Dominion Government has assumed all the risk in connection with these advances, without assuming any of the control that should go with a loan. If it is politically difficult or impossible to enforce control of the finances of provincial governments to which loans are made, the alternative is the establishment of some form of joint loan council in which all the provinces and the Dominion would be represented.

Mr. Bennett seems to feel that the new central bank will perform this function satisfactorily. Unless he changes his mind, it is not likely that a loan council will be set up in the near future.

LOAN SHARKS CONTINUE THEIR OPERATIONS

PRIME MINISTER BENNETT has indicated to the House of Commons that his government is considering general legislation governing the operations of small loan companies in Canada. He hinted recently that a statute might be passed which would set an arbitrary limit on the rate which federally licensed companies might charge for "personal" loans.

But quite apart from any "permissive" legislation which the federal government may enact, the root of the loan shark racket will continue to flourish unless provincial governments under which the real racketeers operate, take active steps to curb this evil.

A few years ago The Financial Post went to considerable trouble to disclose the appalling condition of affairs whereby thousands of respectable citizens in all walks of life were forced to put themselves at the mercy of unscrupulous finance companies and similar agencies if circumstances arose which forced them to borrow money to meet doctors' or hospital bills and other legitimate needs. Actual cases were cited to show that the cost of such money on the basis of simple interest ran anywhere from 50 to 200 per cent with the average nearer the latter figure. These were typical instances which could be duplicated every day of the week by anyone taking the trouble to check the record of chattel mortgages in the court records of any community where these Shylocks operate.

It was found that the cure for this unsavory condition of affairs lay largely in the hands of the provincial governments since most of the shyster concerns operated under provincial charters which called for no supervision of their operations outside the very general provisions of a usury law which to all intents and purposes was ineffective.

Following The Post's disclosures Manitoba took definite steps to curb this evil while the matter was also brought into review in Quebec. In Ontario, where the bulk of these loan sharks operate, and where the law has been admitted to be inadequate to deal with this evil, unscrupulous companies continue to do business as in the past with no supervision once they are incorporated. Neither has there been any attempt to co-operate with the commendable federal plan whereby "permissive" legislation is available to enable this type of business to operate under the supervision and with a definite schedule of fees and charges. Only one or two reputable concerns, on their own initiative, have applied for a federal charter and are doing good service in this field in an honorable way.

In 1932 The Financial Post obtained assurance from Attorney-General Price of Ontario that the matter would be investigated as far as that province was concerned and some action taken, but apparently the line of least resistance has been followed and as far as can be ascertained nothing has yet been done. The loan shark—after being badly frightened by the unwelcome publicity he received—is as active as ever in squeezing hard-won dollars from honest citizens.

There is very little doubt that this loan-shark racket could be largely if not entirely eliminated in a key province such as Ontario if the Attorney-General were to take this matter seriously, make a few investigations and punish some of the more notorious operators; and at the same time amend provincial usury laws to prevent further abuse in the future. It is here the real trouble lies in this business, rather than at Ottawa.

ANOTHER MONETARY WEAPON THAT MAY NOT BE USED

A YEAR ago, in a dispatch from a staff editor in Washington, The Financial Post outlined the possible adoption by the United States of a system of "symmetallism." Silver would be joined to gold as a backing for currency. But when the President and Congress faced the necessity of making a decision on such a policy the other day, they backed down and merely decided to give the President authority to buy more silver and issue more silver certificates—a vastly different thing. They were merely compromising with the silver propagandists rather than definitely seeking change in the monetary system. But whatever his motives, Roosevelt cannot put silver closer to gold as a currency backing without profound consequences on the world's monetary system. For 100 years gold has been the monetary standard of most of the world. Silver has been dethroned in one country after another until today it is confined, outside of China, to subsidiary coinage used for small change.

The new monetary formula devised by Washington is a possible long step to a policy of utilizing a dual metallic basis for currency. Under it a dollar would be equal to 12 grains of gold and 93 grains of silver, approximately 75 per cent of its value in gold and 25 per cent in silver. This isn't exactly bi-metallism. Bi-metallism implies the interchangeability of silver and gold. It has never been successful because no way has ever been found of keeping the international values of gold and silver in some workable relation to each other. Either large overproduction of silver or new discoveries of gold have always come along to upset whatever delicate balance was established between the two metals. It may be that symmetallism could avoid the evils of bimetallism.

If the United States really adopted it instead of merely making a feint at it, there would be a New Deal for silver and a consequent enhancement of its value throughout the world At the same time, it would be difficult to see how gold could avoid falling in value.

It is not safe to attempt to forecast what the result of the present silver policy will be on the price level. There are many other factors bearing on prices, as Mr. Roosevelt has discovered since he devalued gold to 59 cents only to discover that prices did not respond.

Chief significance of the new silver policy is that it arms the president with still another inflationary weapon. He has plenty now and has recently used all of them sparingly. But he would brandish them actively enough if he felt recovery was seriously lagging.

MACHINES THAT HELP MEN HOLD THEIR JOBS

UNDER most of the N. R. A. codes, any efficiency improving machine may be installed by a factory so long as the improvement does not take the form of exploitation of labor.

Many American industries have installed machinery to cut their production costs, particularly to lower unit labor costs, sufficiently to meet the increased wages they are paying.

One factory put in a blade lifting device. As a result one operator now takes care of two machines intead of one. A writer for Forbes Magazine went to the factory to find out what happened to the fellows whose jobs were eliminated by the blade lifting device. The manufacturer pointed out that labor has benefitted by the installation of this device. The company's selling price is today averaging only 14 per cent higher than a year ago. On the other hand, raw material has increased by approximately 100 per cent, wages by 25 per cent and overhead costs by more than 10 per cent. If all of these increases had been passed on to the consumer, the company's business would have been materially affected. The company, before installing machines, made a careful study of the situation and decided that more men would lose jobs through a higher selling price than would lose their jobs by the installation of more efficient operating methods. Experience has proved that this expectation was correct.

Technological unemployment is a problem, but it isn't exactly the problem that such alarmists as Stuart Chase, Fred Henderson and others would have us believe. Machinery that cuts costs also cuts prices, and stimulates demand. It speeds up the shortening of working hours, and gives men greater leisure in which to enjoy themselves. This very leisure creates new spending opportunities, as opposed to manufacturing employment.

The way to approach this problem of machinery and jobs is to ask if the world is better off today than 100 years ago; is the world at large a better, more interesting, happier place to live in? The only reasonable answer is in the affirmative. Then, let us give machinery its share of the credit for the improvement that has taken place.

FINANCING PUBLIC WORKS

THE suggestion was recently made by Archibald McPherson, president of the Ontario Loan & Debenture Co., of London, Ont., that municipalities in Canada should adopt the pay-as-you-go policy to a considerable extent in all public works. One of the arguments offered by Mr. McPherson in support of his suggestion was that under such a plan municipalities could go ahead with important capital improvements and pay for them at a time when citizens were prosperous enough to carry the additional tax burden involved. Then when business tended to decline and people's incomes were reduced, governments would be in a position to reduce their tax rates and give relief to the taxpayer. Mr. McPherson properly argued that rigidity of municipal taxes is a serious barrier to recovery.

It will occur to many people that it is difficult to reconcile this proposal with another popular doctrine of the moment; namely, the budgeting of public works by government. Hon. E. N. Rhodes, Minister of Finance, has gone to record in favor of planned public works. The proposal is that governments should hold back on their construction activities in good times in order to have a reserve of work to go ahead with when private enterprise tends to decline with the oncoming of a period of depression. This, it is argued, would even cut the business cycle to a considerable degree.

There is a great deal of merit in the plan of budgeted public works but among others two weaknesses stand out particularly. One is the lack of convincing proofs that private enterprise and public enterprise can be made subject to different sets of economic influences. For instance, the very expansion of private enterprise leads to the demand for new railways, hospitals, schools, highways, etc., to serve the new private enterprises built up by citizens in different parts of the country. The second weakness relates to human nature. Can ordinary democratic politicians under a system of responsible government be counted upon to withstand demands for public expenditures in bracing times? Can they be expected to choose the right moment to begin spending money and can they be relied upon to keep such emergency expenditures in check?

Both propositions require further study. It may prove to be the case that the pay-as-you-go policy is eminently suited to municipalities, whose capital expenditures are or should be in some close relation to the growth of population, and who are not called upon to undertake great pioneering enterprises, such as highways into undeveloped areas. And it may prove that the budget plan of using public construction as a levelling influence on business is best suited to the type of public works carried on by the Dominion Government and the provinces.

Certainly our present plan is wrong because it is no plan at all. Our governments spend freely when times are good because money is easy to raise and the new tax burden is not apparent. And then when times get bad they continue spending because they feel an obligation to maintain employment at the State's expense. Obviously, such a procedure must lead to inevitable insolvency. And for a very large proportion of the governmental spending organization in Canada insolvency is not merely a threat. It is today an actuality.

A WORD FOR COMPETITION

RECENTLY at a dinner in London, Rt. Hon. Walter Runciman, president of the Board of Trade made some telling comments on two current tendencies in business. One was the concentration of business units in mergers or cartels of constantly increasing size. The other was the increasing governmental control of business.

What is now called planning would have been called Socialism ten years ago, said Mr. Runciman. He did not know what title it would receive ten years hence, but he asked business men to realize that there were limits even to government departments. Nothing could be more disastrous to the British business world than it should become over-regulated, and that, because of it being grouped in too large units, it should become embarrassed with "top hamper." Then he told a story apropos of his remarks:

"I remember during the general strike going down in the course of my duties to the Commercial Road, then largely under the control of the police. I found one coster with a barrow trundling it up Commercial Road in spite of the regulations. He was not to be easily suppressed, and on that barrow he had a placard bearing in large letters the words: 'By kind permission of my bloody self.' That bold man was of the Berserker breed."

Mr. Runciman urged business to retain competition. The truth is, he said, that we have rather in these days underestimated the value of competition.

"It was under pressure of competition that we employed more and more machinery in our works and factories, and that we improved the design and equipment of our ships. It was competition, and still is competition, that turns depression to good account. In the struggle for profits we naturally bring about a reduction in costs.

"These results have brought untold benefits to our people as a whole. Without competition there would have been no cheap silk stockings or small-powered motor cars. It is in the preservation of competition, acting under its main stimulus, that we can not only preserve the prosperity of our great industrial and commercial organizations, but can confer further blessings upon the democracy over which we rule."

At this time, when competition is under a cloud of public suspicion and the tendency is for the government to curb it and to put all industries under regulation, it is encouraging to find one statesman who is not afraid to speak with common sense on the subject. Mr. Runciman's views run counter to some current British legislation giving industry and agriculture opportunity to organize to fixed prices without internal competition and at the expense of the consumer.

Post-Scripts

WORLD'S record for continuous employment in modern industry appears to be held by Robert Harrison, of Culverton, Nottinghamshire, who, for 76 years, has been in the employ of I. & R. Morley, British textile manufacturers. Mr. Harrison is in his 90th year, having started with Morley's at 13. He is one of the few hand-frame knitters extant, a survivor of the early machine improvements of the industrial revolution, as is the firm for which he works. His work is done in his own cottage, with the assistance of a son aged 60, and a grandson aged 24. All his 10 children have worked for Morley's at some time, and five generations of his family have been employed by this firm.

Mr. Harrison, to achieve his record, had to surpass that of Ann Birkin, who was in Morley's employ for 72 years as a chevener, or stocking embroiderer. She too was a cottage worker, and was Queen Victoria's chevener. She embroidered the Queen's stockings for the ascent to the Throne in 1837, for the Jubilee in 1887 and the Diamond Jubilee in 1897.

Queen Victoria, incidentally, wore very fine black cotton stockings, supplied by I. & R. Morley, and knitted for many years by an expert employee, John Derrick, who, although he made the stockings for the ascent to the Throne and the Jubilee, did not live to perform the same task for the Diamond Jubilee.

Until about 1888 there was no such thing as a "fast" black dye. And although the black dye tended to come off on the skin of the wearer, the Queen made black stockings popular. Her Majesty, however, avoided the stains by wearing a pair of white stockings beneath the black pair. She used to order in large quantities and had the stockings marked, one, right, one, left; two, right, two, left; and so on. There was no chance of getting the stockings on the wrong foot, and even the pairs of black and white could be matched by this device.

These bits of information which apparently have escaped the attention of feature writers on London dailies, we learn from a recent Old Country visitor to Toronto.

Sayings of the Week

"What is now called planning, ten years ago would have been called Socialism."—Rt. Hon. Walter Runciman.

• • •

"Purchasing power is the dynamo of the business enterprise under capitalism."—Dr. Harry Elmer Barnes.

• • •

"Age is not always wise nor venerable. The accumulated wisdom of decades and centuries, however, has a right to respect."—E. W. Beatty, K.C., chairman and president, Canadian Pacific Railway.

• • •

"Honesty is the one definite rule which should govern the game of life. But honesty is not always a paying policy, materially speaking."—E. W. Beatty, K.C., chairman and president, Canadian Pacific Railway Company.

• • •

"This business of price control seems to be a matter of 'whole hog or none.' You cannot step a little way into the quicksand of price control without danger of being swallowed bodily by state socialism."—J. H. Van Deventer, editor, The Iron Age.

New Books

"Toronto's 100 Years"

J. E. Middleton, Toronto historian and ex-columnist, is the author of the official Toronto centennial book. He relates in carefully fashioned narrative the story of the advance of Toronto in the century since it became a city.

Striking are the illustrations, drawn by Toronto artists. C. W. Jefferys, Charles F. Comfort and Stanley Turner did most of them.

The volume in paper covers sells at 50 cents. There is a de luxe edition at a higher price.

"What Is Sound Money?"

In this booklet, by J. H. R. Cromwell, it is contended that resumption of the gold standard on a basis that will work properly is not readily feasible. Two-thirds of the booklet is devoted to developing this thesis.

Support is then solicited for the little-known scheme of John Janney, American economist, for "silver equalization." England, says the booklet, increased the price and demand for gold, and decreased the price and demand for silver. This, it is claimed, is not what America wants, which is higher commodity prices. The Janney scheme is to depress the value of gold and increase the value of silver. Under the Janney plan, a currency dollar is redeemable only in silver bullion, on the basis of the amount of silver which a gold dollar would buy on that day in the world market. To obtain gold, the silver bullion would have to be exchanged for it in the free market.

The argument is advanced that gold could be sold on the world market by the United States to depress its price, and that silver could be bought to raise its price. By these two operations, it is claimed, "a steady demand and supply market for the two metals would not only ensure a correct level of comparative values, but would likewise tend to maintain the stability of both." Some of the benefits claimed for the plan are increased Oriental purchasing power; preventing further dumping of depreciated money merchandise by the Orient; creation of an effect similar to the redistribution of gold; addition of value to the present world stocks of gold, and restoration of world confidence and commerce.

"What is Sound Money" is published by Economic Forum, New York. Price 25 cents.

"A Short History of Investment"

Who it was that made the first investment is a bit of unwritten history. We know that Abraham weighed out to Ephron 400 shekels of silver in payment for a field, and it is to be presumed that for generations before that men invested in land. Lending money at interest is likewise an ancient rite. Did not Brutus lend money in Cyprus at 8 and 40 per cent? Didn't Alexander find banks in operation in Persia? Pompei is alleged to have its ruins of a stock exchange.

But it is only during the past 700 years that anything equivalent to modern joint stock enterprises has been in existence.

Percy Ripley has written "A Short History of Investment," which is as fascinating and entertaining a story as it is a useful work of reference on the subject. Mr. Ripley does not attempt to discover for us the whole history of investment in land or the loaning of money at interest. His paramount concern is with the use of money or credit for the acquisition of stocks or shares.

He is able to find only limited references prior to the formation of the great British trading companies, such as the East India Company, the Hudson's Bay Company, the Russia Company, etc. But he tells us about many of these and he reveals the early kings and queens of England as investors on a large scale.

Some of the dividends earned and paid by the companies of 300 years ago would make the mouths of any modern capitalists water. For instance, the East India Company, in the years around 1612, was earning from 120 per cent to nearly twice as much, and the Russia Company paid 90 per cent that year.

Mr. Ripley carries us through the centuries to the present day. He has some pointed comments to make on the 1929 collapse of Wall Street, which he calls a "cavernous honeycomb of economic rottenness" and he draws some modern lessons from this experience and similar ones such as the Kreuger and Toll affair.

He forecasts a trend to rationalization but warns that investors must expect to be partners of the State. "Dividends are unlikely to be paid on the scale which swelled the stomachs and turned the heads of the most materially favored of our Victorian ancestors."

"A Short History of Investment" is published by Sir Isaac Pitman & Sons, Canada, Limited, Toronto, at $2.25.

As Others See Us

No Facts for Agitators

Alliston Herald: That Canada's banks are owned exclusively by the people of Canada is placed beyond doubt by a survey of the stock holders of all the banks made by The Financial Post in the last issue in which many interesting and some surprising facts concerning Canada's banking institutions are given.

When all the facts disclosed by The Financial Post are taken into consideration it might be well for agitators such as J. S. Woodsworth and William Irvine to keep their hands and their tongues off Canadian banks.

Owners of the Banks

The Labor Leader, Toronto: Listening to our somewhat over-enthusiastic C. C. F. friends, and other would-be reformers of our financial system, it seems they would have us believe that Canadian banks are all owned by multi-millionaires and powerful groups of financiers, who can do just what they please and manipulate currencies at their will, and in doing so make a lot of money for themselves in the process.

We have heard so much of this sort of talk lately that we think it is about time some of the C. C. F. and Liberal candidates—who are so fond of making statements that are absolutely contrary to facts—should have some real figures brought to their attention.

Contrary to the expressed opinion of these bank critics, the officers, i.e., presidents, directors, and managers, own very little stock in the banks they operate. The Financial Post gives some interesting figures in this regard. The writer finds that an analysis of the shareholders' lists of the 12 chartered banks of Canada shows that more than 80 per cent of all outstanding stock of the banks is held in Canada. That would seem to dispose of the idea that Canadian banks are run in the interest of British or American capitalists, a statement we have heard made on more than one occasion. Moreover, the writer in The Financial Post finds that the stock is held by all sorts and conditions of men and institutions, and also that the ownership of bank stock among women is increasing rapidly.

We see then that actual ownership of bank stock is widely scattered among all classes of people. If control of the banks is in the hands of wealthy men as our would-be reformers suggest, then it is certainly not ownership of stock that gives them this control. Of course, it would not do to suggest to our radical friends that may be ability and financial knowledge may have something to do with the fact that men who have only small holdings have risen to positions of trust and power in the banking world.

Room For Chivalry

The Revelstoke Review: The Financial Post discovered that there are more women shareholders than men in Canadian banks. This should stop the nasty talk that has been going around about our banking institutions if there is any chivalry left in the country.

The Ownership of Banks

Amherst News: Those who took the time to read that illuminating story in the News on Saturday as taken from The Financial Post in regard to the ownership of banks in Canada must have been given a new revelation as to the actual situation. So many people seem to think that it is a few wealthy financiers at the top who control everything. The simple fact is that the millionaires own but a small proportion of the stock of the banks as compared with the rank and file and that these holdings are generally scattered throughout Canada, with only twenty per cent held by investors abroad. A further amazing fact is that women hold nearly as much of bank stock as men and the prediction was made that within a short time they will be the possessors of a majority of the stock. Much of this stock is inherited from their husbands or their fathers, but having once been acquired, the women seemingly set about to increase their holdings.

It might be well for Canadians to keep these two particular facts in mind. It is so easy to talk about the money moguls and their influence on the banking business of Canada, and through this an alleged influence on other kinds of business; but when it is disclosed that it is the rank and file of the people of Canada who are the capitalists, and that women are becoming so prominent among these, a different idea of the situation is inevitable. It may be that bankers hold a position of influence, but it must be presumed that this is more due to their ability and their experience than to their actual holding of bank stocks. If other holders were so disposed—were dissatisfied with the management of these institutions—they could bring about a change at any time. The bankers only direct, they do not control.

Other People's Views

Looking Ahead to 2034

New York Herald-Tribune: Intellectual track meets like Mr. Sloan's Chicago contest for the standing broad jump of scientific prophecy are made safer, if not more interesting, by the fact that we must wait a hundred years to find out which of the contestants has won. But the surest of all forecasts is that every forecast will be proved untrue.

Private Enterprise Wins

The Efficiency Magazine.—A year ago the conditions in Canada and the United States were very much the same. In both countries there was a severe depression.

The two countries adopted different policies. Canada held fast to private enterprise and the United States adopted Dictatorship and State control of trade and industry.

The result is very striking. Practically every comparison of last year's figures shows that Canada is now far more prosperous than the United States.

Industrial production rose 29 per cent in Canada and less than 9 per cent in the United States.

Electrical power production rose 27 per cent in Canada and only 8 per cent in the United States.

Canada's exports rose to 60 per cent of the 1929 volume, while United States exports rose to only 44 per cent.

As to the banking situation, there is no comparison. Not one Canadian bank has failed for years, while in the United States thousands have crashed.

These figures prove that private enterprise is better than State control. Canada has shot to the front and her prosperity is not based on debt. It is likely that 1,000,000 Americans will move to Canada in the next few years.

In the Mail

Reds and Canadian Labor

Editor, The Financial Post,

I have been a steady reader of The Post for a number of years and would like to record my appreciation of what I consider a national asset, in helping one to keep informed of the actual situation in Canada.

I would like to specially congratulate you on the article, "Red Unions Menace Workers." I am glad that a publication of your standing has seen fit to expose this menace in such striking terms and I hope you will continue to do so, until it is a thing of the past.

With twenty-three years of industrial management experience behind me in Mexico, contending with the effects of social, political, military and economic revolution and at the same time keeping alive a large industrial firm, I had exceptional experience in the plants and on investigation, conciliation and arbitration boards with labor unions of all colors.

Your warning to Canadian business men to distinguish between the different labor groups is very timely.

Properly organized labor is the only safeguard for a nation. But it needs be on a national basis to command the respect and support of public opinion. The Government, employers and employed should get behind such a movement and not leave the field to the foreign agitator.

J. WORSLEY.

Toronto,

"Stop Me If You Have Heard This One"

On the orders of the day:

Mr. JEAN-FRANCOIS POULIOT (Témiscouata): At page 3603 of Hansard of May 23 in the first column I am reported as follows:

"Mr. Pouliot: I am most courteous to every member who gives me a chance to explain my point, but now I am a real martyr.

"Some hon. Members: Oh, oh!

"Mr. Pouliot: I receive hurrahs from all sides."

I would like it to be true, but what I said was:

"I receive arrows from all sides."

—Hansard, May 25, 1934.

The Pace of Business Recovery

Our June Investment List contains a survey of recent business recovery in Canada, illustrated by appropriate charts.

A copy of this list will be gladly sent to investors upon request.

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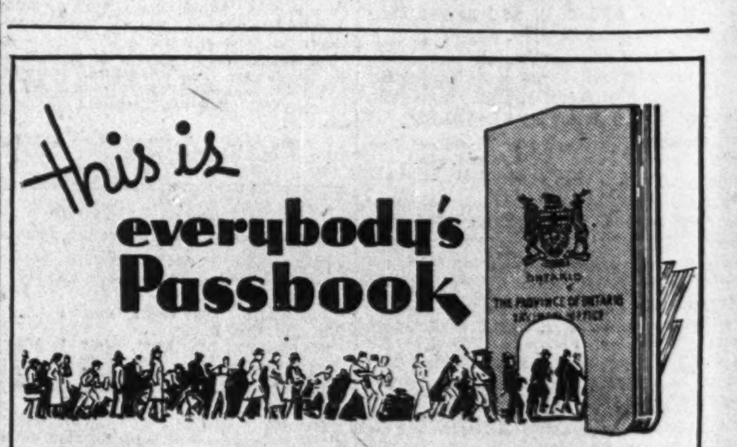

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B-45

Business Conditions in Canada

The Week in Business

Business Calls Halt

BUSINESS in both Canada and United States appears to have reached a point where improvement has been at least temporarily stopped. In Canada, it is felt that further recovery must depend largely on the size and value of agricultural production. The fact that, despite great gains in employment, large numbers of workers and salaried employees have not yet benefitted through increased remuneration is also acting as a brake to recovery, while further recovery in the construction industry must accompany any additional marked advance, it is generally considered.

* * *

U. S. A. Outlook Uncertain

IN THE United States, commentators all stress the uncertain outlook for business. Evidence that reports of production running ahead of consumption were well founded can be seen in the proposal of the cotton textile mills to reduce production by 25 per cent for a period of 90 days. Labor troubles are having an unsettling effect upon industry. The threatened textile strike if manufacturers carry out their curtailment plan, will affect 400,000 workers. Such a strike might, of course, prove an effective method of quickly bringing production and stocks in line with consumption.

Commenting on the United States situation, the current issue of the Royal Bank monthly letter states, in part, as follows:

"Current statistics seem to indicate that a second decline is now in process. As yet this has not proved serious, but it lies within the bounds of probability that the statistics of the summer of 1934 will not be much above those of the summer of 1933; in fact, the major indications suggest that they will be slightly below that level."

* * *

Not All Prairies Ruined

EIGHT column streamer headlines in the eastern daily press have announced to the world the ravages of drought, soil drifting and grasshoppers throughout the West. It would be well for business men who trade throughout this area to study local conditions there before jumping to any conclusion regarding potential lack of purchasing power over the whole area. Undoubtedly, there are many sections where losses have been severe and where small crops will be harvested, but any impression that the whole wheat belt is ruined for this year is not founded on fact.

It is interesting to note the comments of the W. Sanford Evans Statistical Service, Winnipeg, issued prior to the rainfall which fell throughout the Prairies last weekend:

"Some damage has already occurred from drought, drifting and grasshoppers. In southern and central Saskatchewan losses are already severe and, regardless of future weather, a good crop is hardly possible. Large areas, of course, still have a fair outlook but they too stand in need of additional moisture to carry over the summer season. We would advise careful analysis of each district individually, especially if there is general rain within a few days."

* * *

Heavy Import of Bees

MILLIONS of bees are being imported into Ontario fruit-growing districts to replace stocks frozen to death during last winter's severe cold spells, according to reports from the Niagara peninsula. It is stated that the extreme weather of last winter caught apiarists napping as they had not "packed" their bees to withstand 30 below zero temperatures. There is no duty on bees coming into Canada, but express charges are stated to be high, $1.65 for three pounds from Mississippi. Bees are sold by weight and not numbers, for obvious reasons.

* * *

Fixed Festival Dates

NEED for a fixed date for such moveable festivals as Easter in order that weekly and monthly business statistics may be comparable from year to year is brought to the forefront by publication, this week, of figures for retail sales in April. Sales are shown to be smaller than in April a year ago owing to the fact that Easter in 1933 fell in April as compared with March this year. Comparison of sales for March and April, 1934, and the same two months of 1933, however, shows that the increase in all types of retail business is one of 5 per cent. Greatest increases took place in hardware and boot and shoe sales.

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CONTRACT AWARDS LARGEST IN MAY SINCE NOV., 1931

Improvement Spread Over All Types of Building

Construction contracts awarded in May formed the largest monthly total since November, 1931 and were almost three times the total recorded in May last year, according to figures compiled by MacLean Building Reports, Toronto. The gain from April of 50 per cent was more than the average seasonal increase.

While engineering contracts, including a large amount for roads and streets as relief expenditure, amounted to $6,864,200 of the May total of $17,383,100, the improvement over a year ago is spread over all types of construction. Residential and business building contracts were double the corresponding totals for May, 1933, while industrial building increased three times.

Ontario Chief Gainer

Although the improvement was spread over all types of building it appears to have been confined largely to Ontario. A contract for $1,500,000 has boosted the Nova Scotia total. Comparative figures for April and May a year ago are shown in the following table:

CONSTRUCTION CONTRACTS AWARDED

	May 1934 $	April 1934 $	May 1933 $
(a) By Types of Building			
Residential	4,131,000	2,890,700	2,066,600
Business ..	4,801,400	5,606,700	2,142,500
Industrial .	1,586,500	735,000	584,300
Engineering	6,864,200	2,236,800	1,720,700
Total	17,383,100	11,469,200	6,514,100
(b) By Provinces			
P.E.I.	33,800	6,000	8,500
N.S.	1,759,400	183,400	163,300
N.B.	212,300	100,900	87,800
Que.	2,645,900	4,644,400	2,250,300
Ont.	11,275,800	5,096,800	2,441,800
Man.	537,800	241,600	222,400
Sask.	74,400	87,200	78,600
Alta.	320,700	416,100	466,500
B.C.	523,000	692,800	794,900

$1,500,000 Freight Shed

Shipping activity is responsible for the largest contract awarded in May, one of $1,500,000 for a freight shed at Halifax. Contract for the Cornwall plant of Courtaulds was let at $900,000 while a power extension in the Rouyn mining area started at an estimated cost of $500,000. Leading contracts during the month were:

Leading Contracts Awarded in May

Halifax, N.S., freight shed	$1,500,000
Cornwall, Ont., silk plant .	900,000
Rouyn, P.Q., power line extension	500,000
Hamilton, Ont., hospital addition	250,000
Port Alberni, B.C., plant .	250,000
Hamilton, Ont., 31 residences	217,000
London, Ont., addition to hospital	200,000
Mimico, Ont., addition to hospital	200,000

Approach 1932 Figures

Contracts awarded this year now total $48,707,800 as compared with $24,826,100 in the same period of 1933 and nearly $63,000,000 in the first 5 months of 1932. Of the total this year, Ontario accounts for $29 millions and Quebec $12 millions.

Bureau of Statistics Issues Report on Canned Goods

Stocks of canned fruits and vegetables in Canada on April 1 as reported to the Dominion Bureau of Statistics amounted to 849,445 cases. Although three small canneries out of 123 and 15 wholesale dealers out of 362 have not reported to date, the survey may be regarded as approximately correct. It is the intention of the Bureau to repeat this enquiry semi-annually and to ensure its completeness. Pears led with 255,179 cases, apples, 156,405, peaches, 150,604 and plums 106,473.

Canned vegetables on hand amounted to 4,460,305 cases, of which tomatoes accounted for 1,395,681, soups 637,823, corn 525,773, peas 523,153, catsup and sauces 496,703, tomato juice 247,465, baken beans 185,283, green or wax beans 176,283, tomato paste and puree 100,767.

Alberta Cows in Demand

Alberta-raised grade Holstein cows are in demand among dairy farmers of Scotland and a good market there is assured, it was reported at the recent annual meeting of the Alberta Provincial Holstein Breeders' Association by Thomas Hays of Calgary who recently returned from the old country markets where 75 head had been shipped from the province.

Commodity Prices

COMMODITY price indices moved slightly upward during the past week due largely to the quick rise in wheat prices. Opening of the current week saw some reaction as the long drought spell was partially broken throughout the Canadian and United States wheat belts.

Cotton acreage is reported 27 per cent below last year with crop conditions about the ten-year average. Prices, however, have been soft, the market having apparently discounted the reduction some time ago.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$6.35	$6.50	$5.50
Copper, lb.	.08½	.08½	.08
Cotton, lb.	.1195	.1160	.0910
Rubber, lb.	.1287	.1230	.0686
Sugar, raw, lb. ..	.0275	.0275	.0330
Silk, lb.	1.27½	1.30	1.76
Wheat (Man.) bu.	.77⅜	.78	.63⅝
Hides, lb.	.09	.09½	.12
Coffee, lb.	.10½	.10¼	.07¾

Weekly Indices

	Latest week	Previous week	Same week last yr.
N. Y. Annalist	111.8	111.4	92.7
Fishers'	75.8	75.5	†63.6
N.Y. Journal of Comm.	76.2	75.8	60.3
Crumps (Brit.)	64.4	64.5	†62.4
U. S. Labor	73.5	73.8	63.0
Canada (D.B.S.) ...	70.7	71.0	....

†Average 1933.

Monthly Indices

Canada (D.B.S.)	Latest w'sale	Prev. month	Same month last year
Retail (Apr.) ...	79.6	80.2	78.1
W'sale (Apr.) ..	71.1	72.0	65.4
U. S. Labor (Apr.)	73.3	73.7	60.4
Gt. Brit. (Mar.) ...	70.0	71.1	65.9

Note: Indices all on base 1926 = 100, except N. Y. Annalist which is 1913 = 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price. Toronto: copper—electrolytic, New York; silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Warns Silk Manufacturers Against Over-Expansion

Silk Association President Tells Membership That Industry Can Now Supply All Canada's Wants — Export Market Limited

Sounding a note of warning to fellow manufacturers in the Canadian silk industry against the dangers of too much machinery and over-production, John Cowling, Montreal, president of the Silk Association of Canada, reviewed the rise of the industry during the past decade, and its contribution to the stabilization of business operations during the depression, in the course of his address to the ninth annual meeting of the association held last week in Toronto.

The textile industry, he said, provides employment for 100,000 persons in Canada, or ten per cent of all those engaged in industry. Steady expansion of the many branches of the industry during the depression years resulted in the total number employed being well maintained in comparison with other industries, the industry therefore providing an invaluable stabilizing factor, he pointed out. In the first three months of 1933, when industrial employment in general was at its lowest, the entire textile industry was down only 2.457 employees below the same period of 1930, he explained.

Steadying Factor

The silk industry played an important part in providing steady and increasing employment, Mr. Cowling said. The increase in 1933 over 1930 was 44 per cent, and the payroll in 1933 amounted to over $6,000,000. These figures do not include the payroll or employment in the silk hosiery industry, but production of silk hosiery increased from 1.1 million dozen pairs in 1930 to 1.4 million dozen pairs in 1933, an increase of almost 30 per cent, which directly reflects an increase in employment.

While recounting the expansion of the silk industry, Mr. Cowling stated that he would be neglectful in his duty if he did not warn the members regarding the dangers of too much machinery and over production.

Warns Manufacturers

In this regard he stated, in part, as follows:

"'The increased production indicated by all the silk industry figures is mainly due to goods now being made in Canada by Canadian workers which were previously imported from countries outside of the British Empire. This source of expansion has come to an end inasmuch as we are now providing the bulk of what Canada can consume, and now expansion can only take place in keeping with a larger home market. It is true that Canada has increased her exports of articles made of silk, chiefly silk hosiery, which in 1933 amounted to just over 200,000 dozen pairs, while exports of yardage goods amounted to only $89,536. This means that those with machinery must look to the Canadian market to absorb their production and our trade surveys show that we have not yet caught up to our installed machinery.

"Like all other industries when they expand our industry tended to put in too much machinery, but with the exercise of vigilance and common sense, and with further improvement in conditions in Canada we may hope to escape the major evils of too much machinery which result in overproduction and ruinous prices.

Co-operation Needed

"I am pleased to say that there are now 52 plants in Canada engaged in the silk industry. In 1930 the amount of raw silk used was 1,822,870 lbs. and in 1933 this had increased to 2,415,975 lbs. No silk is grown in Canada. Our industry imports raw silk and carries out all further operations, such as throwing, weaving, knitting, dyeing, printing and finishing. Artificial silk is produced in Canada from the raw material up, the bulk of such raw materials also being produced in Canada, the growth of which industry has been phenomenal. It will therefore be seen that our industry provides the maximum amount of employment within our own country.

"I would also like to say that the products of our industry in Canada in quality and finish are second to none produced anywhere else in the world, and that our factory prices are reasonable as the industry is now of such a size that internal competition regulates prices. While we are proud of our products, I would urge that you allow no slackening in your efforts to improve your technique, increase and widen ranges and lines, study the needs of your customers, and continue to keep apace with style trend, all of which is essential to our success. Industry moves so fast today that there must be co-ordination of effort and the most accurate information made available for the benefit of all."

Elect Officers

W. P. MacDougall, Belding-Corticelli Ltd., Montreal, was elected president at the annual meeting. Other officers elected were: J. H. Marx, Associated Textiles Ltd., Montreal, vice-president; P. R. Watson, St. Catharines, chairman of tariff committee; executive consisting of J. A. Burns, Dunnville; I. I. Bruck, Cowansville; and John Cowling, past president.

CHANDLER MILL SOLD FOR $90,000

Report Gaspé Pulp Unit to be Operated by Can. Celanese

From Our Own Correspondent

MONTREAL—Paul Gauthier, Montreal lawyer, has purchased the pulp and paper mill at Chandler, P.Q., built several years ago at a cost of $1,500,000, for $90,000. This enterprise was formerly owned by the St. Lawrence Pulp and Paper Corp. and the Bonaventure Pulp and Paper Co. The mill has been closed down for the past two years, but it is understood that operations will be resumed in a month or two.

This is the mill which the Bowaters Paper Mills was interested in acquiring before their attention was drawn to the possibilities of reorganizing Price Bros. and Co. Upon going ahead with the latter proposition, they dropped their interest in the Chandler mill.

The mill was sold by the trustee of the St. Lawrence Pulp and Paper Co. at the request of the Provincial Department of Lands and Forests.

The Chandler mill, according to an unofficial report, will be used by Canadian Celanese for the manufacture of sulphite pulp for the making of artificial silk.

Business Briefs

Automobile Sales in April numbered 10,630 as against 5,495 in April a year ago. Truck sales numbered 1,453 as against 583.

Automobile Financing amounted to $3,490,236 in April as compared with $2,064,764 a year ago.

Wholesale Prices in the week ended May 25 declined slightly under the influence of lower vegetable prices. The index was 70.7 as against 71.0 in the previous week.

Car Loadings for the week ended May 26 numbered 39,514 cars, a large decrease from the previous week due to the holiday. The adjusted index also declined being 70.47 as compared with 72.97 in the previous week. A year ago it stood at 57.71.

Dominion Coal Co. Output Higher in May

From Our Own Correspondent

MONTREAL—Dominion Coal Co.'s mines in Nova Scotia hoisted 379,967 tons of coal in May, the highest mines in Nova Scotia hoisted 379,967 monthly production since 1928. Production in May last year totalled 224,472 tons.

Last year Dominion Coal hoisted nearly 3,000,000 tons of coal and if the current rate of production is maintained, expectations are that the company will handle a near-record volume.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly — Latest — 1934	1933	Cumulative Total — Jan. 1 to date — 1934	1933
Transportation—				
Car loadings (May 26)	▲39,514	32,176	871,343	705,283
C.P.R. gross earn. (May 21)	$ 2,356,000	$ 1,940,000	$ 43,906,000	$ 37,445,000
C.N.R. gross earn. (May 21)	$ 3,377,389	$ 2,883,262	$ 60,901,960	$ 49,858,056
Business Conditions—				
Weekly index D.B.S. (May 26)	94.0	79.3	......	......
Failures, No. (May 19)	16	27	......	......
	Monthly			
Business Conditions—				
Financial Post index (Apr.)..	92.8	73.0	......	......
Transportation—				
C.P.R. net earnings (Apr.) ..	$ 1,270,465	$ 538,465	$ 4,496,904	$ 1,835,944
C.N.R. net revenue (Apr.) ..	$ 1,506,211	$ ‡134,839	$ 1,571,213	$ ‡4,158,082
Iron and Steel (April)—				
Pig iron production (tons) ..	27,355	......	82,332	35,353
Steel ingot prod., (tons)	70,363	11,384	262,072	75,736
Automobiles (Number) April data				
Passenger Car:				
Domestic sales*	▲10,630	5,495	23,681	13,024
Factory output (April) ..	15,451	6,957	39,770	18,830
Trucks and Buses:				
Domestic sales*	▲1,453	583	3,127	1,378
Factory output (April)	2,912	1,208	8,248	2,713
Exports (Apr.)	4,838	2,612	15,837	4,662
Construction—				
Building permits (April)	$ 2,246,317	$ 1,595,502	$ 4,910,637	$ 4,661,323
Contracts awarded (May) ...	$ ▲17,383,100	$ 6,514,100	$ 48,707,800	$ 24,826,100
Newsprint (tons)—				
Production (Apr.)	216,507	147,759	789,457	561,292
Exports (Apr.)	157,025	113,138	716,206	486,368
Sugar (lbs.)				
Melting & shipments§	▲46,732,620	43,697,904	105,907,452	139,896,717
Manufactured§	▲48,305,372	46,454,674	107,167,632	149,537,094
Flour (bbls.)—				
Production (April)	▲1,088,785	1,013,486	4,297,761	3,722,279
Wheat flour exports (April)	340,621	234,387	1,610,822	1,455,075
Trade (April)—				
Imports	$ 24,814,998	$ 20,457,294	$ 148,319,464	$ 101,348,164
Exports	$ 31,581,881	$ 20,011,652	$ 174,422,746	$ 115,132,041
Wheat exports (bushels)	$ 3,568,090	4,460,214	27,272,327	44,905,057
Employment (May 1) D.B.S. Index—				
All industries	▲92.0	77.6	......	......
Manufacturing	▲90.2	76.8	......	......
Electric Power Output (April)—				
Total monthly (000's omitted)	1,696,646	1,296,805	6,833,503	5,364,106
Aver. daily	56,555,000	43,227,000	......	......
Other Industrial Indices—				
Lumbering: (April)—				
Plank & board exports	60,869	83,735	391,148	171,075
Boot & shoe prod. (Mar.) ..	1,682,010	1,539,487	4,036,725	3,661,661
Crude petrol. imports (Apr.)	38,983,458	36,187,424	214,510,044	158,164,621
Cotton imports (Apr.)	▲9,376,000	4,050,000	43,221,000	25,215,000
Raw rubber imports (Apr.)..	5,417,999	1,243,621	21,065,297	9,034,048
Coal imports (Apr.)	574,309	432,445	2,263,756	1,871,831
Finance—				
Failures: (D.B.S. figures)—				
Number (Mar.)	▲140	184	433	604
Liabilities (Mar.)	$ ▲2,381,000	3,022,000	7,429,322	11,019,131
Bank debits† (Apr.)	$ 2,536,000	1,877,000	9,712,000	7,563,000
Bond sales (Apr.)	$ 31,983,900	13,544,538	105,285,598	84,931,876
Life insurance sales (Apr.) ..	$ 33,296,000	31,666,000	123,680,000	123,602,000
Automobile Financing—				
Used cars (April)	$ ▲1,388,735	998,769	3,259,302	3,037,099
New cars (April)	$ ▲2,101,501	1,065,995	4,302,846	2,974,196

*Comprising over 90% of total Canadian sales. †000's omitted. ‡Deficit. §For 4 weeks to April 21.

Presides

—Caricature by Cecil.

MAJOR L. L. ANTHES

Toronto industrialist and president of the Canadian Manufacturers' Association, who will preside at the annual meeting in Montreal this week.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Charis, Ltd., manufacturers of foundation garments, commenced operations in its New Toronto plant on June 6.

Castle Motor Co., manufacturers of automobile parts and accessories, has purchased a plant in Lindsay, Ont., and commenced production. J. E. Castle is secretary and engineer. Head office of the company is in Windsor.

N. S. Releases Young Fish

Some 798,400 salmon and 603,509 trout were distributed in 1933 from the Middleton fish hatchery into the waters of Digby, Annapolis, Kings, Hants and Lunenburg counties of Nova Scotia. Salmon were released in fifteen and trout in sixty-five waters. No fry were distributed last year from this hatchery, the salmon being second and third fingerling size and the trout 1st, 2nd, 3rd and 4th fingerlings with a few of yearling size.

EMPLOYMENT GAIN BELOW SEASONAL AVERAGE FOR MAY

But 20,900 Names Added to Canadian Payrolls

Led by manufacturing, payrolls in Canada showed an increase at May 1 as compared with the beginning of the previous month although the gain was less than the seasonal average. Altogether, approximately 20,900 names were added to payrolls, The Financial Post estimates from figures compiled by the Dominion Bureau of Statistics supplied by a representative list of employers throughout the Dominion.

The unadjusted index of employment in all industries stood at 92.0 at May 1 as compared with 91.3 at April 1 while, after adjustment for seasonal variation, it became 94.2 as against 96.7.

Logging Staffs Cut

In addition to the gains in manufacturing, employment in transportation, mining (export coal), building and railway construction and wholesale trade was increased. On the other hand, retail trade, highway construction, coal-mining and logging released employees. The losses in bush operations were extremely large, partly as a result of the late season which retarded completion of river drives.

Maritimes and the Prairie Provinces showed the greatest gains among economic areas while Quebec and British Columbia also recorded advances. Employment in Ontario was slightly smaller than at the beginning of the previous month. The situation in all areas was decidedly better than at May 1, 1933, however.

All Cities Gain

Improvement was shown in each of the eight cities for which separate tabulations are made, the largest gains being in Montreal, Windsor and Winnipeg. The situation in these centres and in the Maritimes, in which none is located, follows:

Maritimes—Manufacturing, (especially fish preserving) logging and highway construction reported gains. Transportation declined due to the falling off in traffic to the winter ports. The gain was above the seasonal average.

Montreal — Transportation made substantial advance. Manufacturing and building also higher. Tobacco works showed seasonal curtailment.

Quebec — Improvement took place in shipping and manufacturing while services released employees.

Toronto — Local transportation, building construction and manufacturing reported increases in personnel, while street construction and maintenance and trade afforded reduced employment.

Ottawa—Construction, transportation and manufacturing registered improvement, that in factory employment being most marked. The advance was greater than a year ago.

Hamilton — Manufacturing was brisker and construction reported more employees. A decline was indicated a year ago.

Windsor—The steady increase noted since the beginning of the year was continued, most of the gains occurring in automobile factories.

Winnipeg—Manufacturing (particularly iron and steel and textiles) and transportation showed improvement. Other industries were generally unchanged.

Vancouver — Manufacturing activity increased, the food groups in particular showing improvement. Other industries reported little general change.

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RAYON . . . CANADA'S GIANT NEW INDUSTRY

COURTAULDS RAYON

Another $2,500,000 for CANADA . . .

This month in Cornwall, Ontario, an important scene of three years ago is re-enacted. The occasion marks the opening of Courtaulds (Canada) Limited's new plant addition, erected at a cost of $2,500,000, duplicating a previous addition erected at the same cost only three short years ago.

Thus is progress recorded in Canadian industrial life.

With this new addition, the output capacity of our plant is increased by 40%, adding substantially to our investment in Canadian machinery and raw products, increasing our consumption of Canadian power, and adding more Canadian workers to our payroll.

Courtaulds (Canada) Limited is a 100% Canadian industry. Since its founding less than ten years ago it has shown a record of remarkable growth, contributing much to Canadian industry as a whole. With this new addition Courtaulds take an even more important place in the nation's industrial life and look forward to increased service as the years unfold.

COURTAULDS CONTRIBUTION *to Canadian Industry by this new addition*

Total cost of new addition $2,500,000.

Expended on Canadian machinery $750,000.

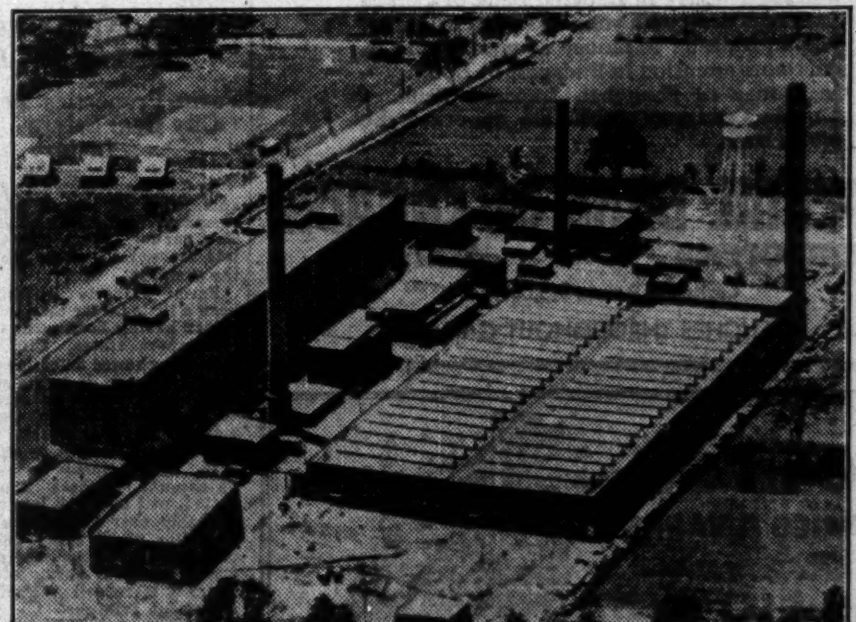
Total number of man-hours 1,074,769.

Tons of construction material used 37,500.

Ton miles of railway freight 6,852,181.

Ton miles of highway freight 90,990.

Tons of freight by water 3,138.



Courtaulds (CANADA) LIMITED

Plant and Head Office: CORNWALL, ONT. Sales Offices: 159 Bay Street, TORONTO. Trade Service Offices: University Tower, MONTREAL

HOTELS

THE HOUSE OF HOSPITALITY
A Modern Fireproof Hotel of 350 Rooms
Rates: $2.00, $2.50, $3.00
Double Rooms: $4.50, $5.00
MAIN DINING ROOM
Club Breakfasts 25c to 60c
Lunch 60c to 75c
Dinner $1.00
COFFEE SHOP
HOTEL LONDON
LONDON, ONT.
Manager: H. F. Struckett

Winnipeg's Newest Hotel
The Marlborough
In the Heart of the City
Fireproof Construction
European Plan
Rates in Keeping with the Times
220 Rooms

A DISTINGUISHED RESIDENCE ... in New York
Convenient to both business and social activities. . . . The DELMONICO makes an unexcelled residence for the day, week or month.
Roof Restaurant and Bar on 32nd Floor
Single Room from $4.00 per day
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Suites from $8.00 per day
HOTEL DELMONICO
Park Avenue at 59th
NEW YORK
UNDER RELIANCE DIRECTION

THERE ARE
Join the Ely circle
ADVANTAGES
ELY LIMITED
Clothier & Furnisher
Three stores in Toronto

Coal Production Gains 20.5 Per Cent Over 1933

Canada's coal production in April reached a total of 807,930 tons, an increase of 20.5 per cent over the April, 1933, output but a 12.5 per cent falling off from the five-year average for the month of 923,607 tons. Bituminous coal production amounted to 670,099 tons, sub-bituminous 32,846, lignite 104,985.

Nova Scotia mines produced 401,273 tons or 49.5 per cent above the April, 1933, total of 268,447. In Alberta 244,477 tons were mined as compared with 245,912 a year ago. British Columbia's output rose 14.4 per cent to 110,165. A 6.3 per cent decline was recorded in Saskatchewan's production; the month's output was 32,749 tons as against 34,957 tons. New Brunswick operators reported a production of 19,266 tons or 22.9 per cent below that of a year ago.

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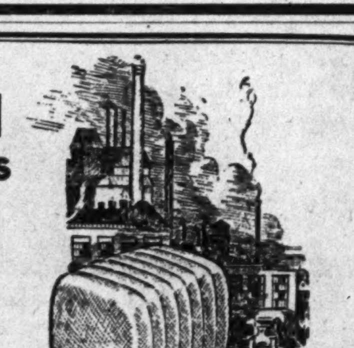
When you step from the other end of the gangplank into a strange land you need not feel a stranger. Carry an Imperial Bank of Canada Letter of Credit with you. This letter will bring you, in addition to money as you require it, courteous attention in Budapest or Bombay—in Sydney or Shanghai. Imperial Bank of Canada Letters of Credit are honoured the world over.
IMPERIAL BANK OF CANADA
HEAD OFFICE · TORONTO
Capital and Reserve $15,000,000
BRANCHES THROUGHOUT CANADA

COTTON
FABRICS & YARNS
Basic raw materials for many Canadian Industries.



DOMINION TEXTILE
Company Limited
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

CONSOLD. PAPER REPORT REVEALS REDUCED INCOME

Lower Prices Offset Larger Output in 1933-1934

LOWER BANK LOANS

Higher Newsprint Prices Needed to Establish Sound Finances for Concern

From Our Own Correspondent

MONTREAL. — Decline in the selling price of newsprint was a factor of more importance than the increase in production of Consolidated Paper Corp. during the year ended March 31, 1934.

The financial statement reveals gross profits from operations, income from investments, exchange and miscellaneous revenues at $1,541,365 compared with $2,448,849 in the preceding 15 months. It is pointed out in the president's remarks that had the same average prices for all products prevailed as were in effect during the previous period, earnings of the company in the past year would have been approximately $1,900,000 greater than was the case on the tonnage actually shipped.

Set Up Loss

In the following comparative income and profit and loss statement, it is shown that the operating loss before depreciation was $235,141. This compared with a loss of $98,087 for the previous 15 months. The deficit for 1933-34 was reduced as a result of the inclusion in profits in the sale of securities amounting to $221,694. The net loss, therefore, was $22,446.

	1933-34 $	*1932-33 $
†Gross profit	1,541,365	2,448,849
Bank, other int.	691,180	790,137
Bond int., etc.	62,197	90,496
‡Other charges	1,023,128	1,666,302
Oper. loss before depr.	235,141	98,087
Profit fr. sale of secs.	221,694	....
Loss before dep.	22,446	98,087

*For 15-month period January 1, 1932 to March 31, 1933.
†Gross profit from operations, income from investments, exchange and miscellaneous revenues.
‡On properties not operated.

Working Capital Position

	1934 $	1933 $
Current assets	9,735,314	11,037,923
Current liabs.	15,600,830	16,216,948
Working capital	*5,865,516	*5,179,025

*Excess of current liabilities over current assets.

Bank Loans Reduced

At the end of last March, Consolidated Paper's balance sheet showed assets totalling $82,934,007 compared with $84,189,206 at the same time last year. Bank loans, in the aggregate, have been reduced during the year from $14,644,725 to $13,586,725. In addition, bank loan carried with the Montreal Trust Co. was reduced from $532,033 to $411,454.

There was a further reduction in capital liabilities of approximately $219,000 to $409,056. Sinking fund continued to operate on subsidiary company bonds, the amount of such securities outstanding now totalling $1,212,094.

The only other change of particular interest among the liabilities is an increase in accounts payable from $1,011,104 to $1,577,193. This is accounted for principally by government stumpage dues and accounts for pulpwood.

Some Doubtful Accounts

Among the company's assets, cash on hand shows little change, while accounts receivable stand at $3,687,926. These accounts include the amounts due from Price Bros. and Co. (in bankruptcy) $527,859; Price Bros. Sales Corp., $740,386, and Newsprint Institute of Canada, $345,065. The collectibility of these accounts is in doubt.

Further liquidation of inventories is seen in the reduction of inventory values from $5,478,827 to $4,468,152.

Sell Some Shawinigan

Investment securities are carried on the books at $1,447,505, compared to a market value of $2,278,693 and a book value on March 31, 1933, of $1,785,200. During the year the company disposed of part of its holdings of Shawinigan Water and Power stock. At one time the company held 100,000 shares, but it is understood that holdings now amount to approximately 75,000 shares.

Shares in and advances to associated companies, shown on the balance sheet at $1, include the corporation's interest in the Quebec Pulp and Paper Corp., and its investment in Newsprint Bond and Share Co., which controls Bathurst Power and Paper Co.

Capital account shows a reduction from $78,872,327 to $72,944,040.

Gives Annual Review

In his report to shareholders, L. J. Belnap, president, had the following to say in part:

"Under the plan of reorganization there have been distributed to date $50,237,652 principal amount of first mortgage bonds and registered debenture stock, and 1,495,610 shares of common stock of your corporation for securities of the old companies, therefore approximately 98 per cent of the old securities have been exchanged.

"There remain to be exchanged $1,169,248 principal amount of first mortgage bonds and registered debenture stock and 39,115 shares of common stock.

"Accounts and bills receivable include the amounts due from Price Brothers and Company, Limited (in bankruptcy), $527,859.81, Price Brothers Sales Corporation, $740,386.58, and Newsprint Institute of Canada, $345,065.27.

"An amount deemed sufficient to provide for doubtful accounts is included in the 'Reserve for Contingencies.'

"With a view to reducing loans and consequent carrying charges, your directors deemed it advisable to dispose of some of the 'other investment securities.' The net return from these sales results in a yearly saving in interest in excess of $18,000.

Timber Limits Revert

"'Capital liabilities' have been reduced by $218,964. Of this amount $22,500, owing on the purchase price of a timber limit, was cancelled, the limit reverting to the former owner. The balance of $196,464 was paid in cash.

Newsprint Outlook

"The price of newsprint declined $5 per ton on this continent on April 1, 1933, bringing the price down to $40 delivered at the principal points of consumption, which is lower than actual cost. There was also a substantial price decline in overseas markets. The price remains at this low figure, which is below that at any time during the past twenty years.

"Recently there has been increased consumption, which has benefitted your corporation, but production costs are also increasing and no substantial benefit can accrue to the industry as long as the market price remains at the present level.

"The solution of the newsprint manufacturers' problem is stabilization of a price level which will permit a fair return on invested capital."

Filling-Station Chains Expenses 25 p.c. of Sales

Statistical Analysis Shows Volume Essential for Retail Stations to Keep Payroll and Other Expenses at Percentage of Turnover to Permit Profits

Although changing prices of crude and increasing competition have worked material changes in price and profit structure since 1930, nevertheless the report from the Dominion Bureau of Statistics of the business done by filling-station chains in Canada in 1930 will contribute to a better understanding by the general public of the cost of distribution of oil products in Canada.

The 28 filling-station chains operating during 1930 had total net sales of $14,875,440 in their 743 stations. This was a comparatively small proportion of the total sales of filling-stations in Canada, but the experience was sufficiently representative to give an idea of the cost of sales and conditions under which profits could be obtained.

In this analysis, the Dominion Bureau of Statistics only included filling-stations when they were actually controlled and operated by a central organization and did not include the stations which were rented by gasoline companies to individual operators who carried on their own business.

Was Boom-Time Business

The filling-station chains apparently were in 1930 in great part a mushroom business. Only 28 per cent of the total number had been in operation prior to 1926 and 25 per cent of them had been opened in 1930. The remaining 340 or 47.4 per cent had been opened from 1926 to 1929 inclusive. Of the total, 484 were located in Ontario and 145 in Quebec.

There were 66 units in the Prairie provinces, 40 in the Maritime provinces and eight in British Columbia. The chains were most active in cities of 100,000 population or more and sales in such cities amounted to 62.6 per cent of the total.

Expenses 25.11 p.c. of Sales

Total operating expenses of all filling-station chains amounted to 25.11 per cent of net sales. Payroll was 15.53 per cent of sales and other station operating expense, including rent, was 9.58 per cent. The rent paid by the chains for leased premises amounted to 4.65 per cent of sales made.

The lowest operating expense ratio, 16.65 per cent of net sales, was obtained by six local chains operating 61 stations and having total net sales during 1930 of $1,617,945. These chains were purely retail organizations and operated no wholesale outlets. Most of them were independent proprietorships. Operating expenses for provincial, sectional and national chains were much greater than for local chains, the percentage being 27.46, 26.63 and 25.38 respectively. The higher payroll cost was, in large measure, responsible for the higher expense ratios.

Volume Lessened Expense Ratios

Chains having average sales per station of more than $30,000 operated on an expense ratio of 19.21 per cent of net sales, as compared with 35.34 per cent for those chains whose station sales averaged less than $20,000.

Of the total sales 83.29 per cent represented gasoline and 13.49 per cent the sale of oil. The remaining sales were of parts and accessories, tires and tubes.

Somewhat similar experience was reported by the 1,355 stations which had been leased by the different gasoline companies during 1930 to independent proprietors. Of these, there were 667 establishments which could be classified as filling-stations. These 667 stations had total net sales during 1930 of $14,245,900 or an average of $21,358 per station. There were 930 employees receiving an average of $943.

In the case of 438 stations giving the most complete information, total sales were $10,563,200 or average sales per station of $24,117 and operated on a total operating expense ratio to sales of 21.12 per cent. Payroll amounted to 12.98 per cent and other operating expenses including rent amounted to 8.14 per cent. When sales were less than $10,000 operating expenses were 39.54 per cent, 23.46 per cent with sales from $10,000 to $20,000, 20.58 per cent from $20,000 to $30,000, 17.98 per cent from $30,000 to $40,000, 20.56 per cent from $40,000 to $50,000; and 18.50 per cent for sales more than $50,000. Only 35 leased stations reported sales exceeding $50,000.

CAN. CELANESE FEELS WEIGHT TARIFF BOARD

Past Policies Lead to Reduction in Tariff Protection

From Our Own Correspondent

MONTREAL.—Canadian Celanese merchandising policies which in the past, have been to retain all yarns produced for further manufacture, received a set-back when the House adopted the recommendations of the Tariff Board subjecting the company to greater British competition in the marketing of its acetate yarns and in ordering that concern to sell its yarns, not further advanced than singles, to Canadian buyers at prices which would put them on a competitive basis.

At present there are two manufacturers of artificial silks in Canada, namely, Canadian Celanese and Courtaulds (Canada) Ltd. The former manufacture what is known as a cellulose acetate yarn and the latter a viscose yarn. Canadian Celanese to date have followed the policy of retaining all yarns manufactured for further processing, while Courtaulds have refrained from entering the weaving field and sold their yarns direct to manufacturers.

Tariff Rates

The tariff has been 20 per cent and 28 cents per pound, against British goods. The ad valorem duty is allowed to remain, but the specific duty is cut to 20 cents per pound. And Celanese is told to sell its yarns, not further advanced than singles, to Canadian buyers at prices which would be regarded as putting other Canadian weavers in a position fairly competitive with themselves.

Presumably the board will not make a final report until Celanese reaction to this advice is evident. Judging by the manner in which the Commons accepted the tariff reduction, the board could go far in recommending further cuts in tariff.

Board Favors Applicants

R. P. Smart, of Ottawa, acting on behalf of a number of Canadian manufacturers, appeared before the tariff board asking for a reduction in the tariff on cellulose acetate or rayon yarns. He charged that Canadian Celanese refused to sell to the Canadian trade and, accordingly, asked for a substantial reduction in the tariffs.

While not ready to go the entire distance asked by the applicant, the board recommended that the specific duty on cellulose acetate or rayon yarns, under the British preference, be reduced from 28 to 20 cents per pound and that Canadian Celanese sell its singles to the Canadian trade. Further lessening of the protection afforded to the artificial silk industry might have been ordered, were it not that the removal of the duty would affect seriously Courtaulds (Canada) Ltd.

There is a wide investment interest in Canadian Celanese through the preferred stock, of which $9,000,000 is outstanding. During the last four years the earning power of the company has shown a sharp increase, rising from $1,254,530 in 1930 to $1,857,666 in 1933. Regular dividends have been paid on the preferred stock since 1931 and during 1932 and 1933 the company paid $3.50 a share on account of arrears of dividends.

Felt Hat Tariff

From Our Own Correspondent

OTTAWA. — Another controversial tariff item — felt hats — was dealt with by the board and the recommendation submitted to the Commons last week. Here, again, little publicity attended proceedings in the Commons where the government moved to enact the rates commended by the board.

While the Celanese recommendation was adopted by the Commons forthwith, questions were asked regarding the hat item and the government did not seek to put it through at that time. It will come up later.

Present duty on hats is 22½ per cent preference, 30 per cent intermediate; 35 per cent general. But in August, 1931, a special order was issued writing up all import prices by $1.50 per dozen. The board subsequently ruled that arbitrary valuations of this kind if imposed on British goods are illegal.

Ruling Not Accepted

Although this ruling of the board is under review by the Supreme Court and has never been accepted by the government, the hat manufacturers in Canada decided to apply for higher tariffs and the board's report deals with their application. The board now rules that the Canadian manufacturers are entitled to an increase of $1 per dozen in import prices, instead of $1.50. The recommendation will be enacted this session and, presumably, the arbitrary valuation will be rescinded.

While the special tariff still looks high, it is, actually, a severe cut in the protection enjoyed these past three years by the Canadian manufacturers. Not only had importers to pay $1.50 per dozen, special dump duty, but they had also to pay the tariff upon it. Under the old arrangement, 22½ per cent on $1.50 meant an additional tariff of $1.84 per dozen. Under the new the special tariff is but $1.22½. This is a cut of 61½ cents per dozen.

WHITTALL CAN CO. EARNINGS HIGHER CAPITAL BETTER

Current Assets Show Big Improvement Over Previous Year

Whittall Can Co. Ltd., had net earnings in the year ended Feb 28, 1934, of $287,558 compared with $191,204 in 1933. After depreciation, income taxes and a 6½ per cent dividend on the preferred stock there was a surplus for the year of $99,834 as against $119,046 in 1933 then there was approximately the same amount allowed for depreciation but nothing for dividends or income tax.

Absorb Canners Deficit

This 1934 surplus brought the total at the end of the fiscal year to $329,534. From this, however, had to be deducted a proportion of the deficit of the Associated Quality Canners, a subsidiary, to the amount of $287,800 as against $389,200 in 1933, which brought the actual surplus at the end of the year to $41,734 compared with $229,701 in the previous year.

INCOME AND SURPLUS ACCOUNT
Years Ended Feb. 28

	1934 $	1933 $
Net earnings	287,558	191,204
Less: Depreciation	72,551	72,158
Income tax	22,548	....
Net profit	192,459	119,046
Less: Pref. divd.	92,625	....
Surplus for year	99,834	119,046
Add: Prev. surplus	229,700	548,868
Inc. tax adjust.	....	27,665
Less: Invest. in Que. Can. w/o	....	76,678
Assoc. Q.C. def.*	287,800	389,200
Balance forward	41,734	229,701

*Proportion of deficit for the year of Assoc. Quality Canners applicable to shares of that company held.

Current assets are strong. In addition to about $80,000 cash on hand there is an investment in Dominion Government bonds which is valued at almost $100,000 and cash surrender life insurance amounting to $44,900. This compares with cash on hand a year ago of $147,045, no bonds and cash surrender life insurance of about $42,000. Accounts receivable are higher, being valued at $116,943 as compared with $85,537 in 1933. Inventory is up from $183,083 in 1933 to $352,866. Total assets are valued at $692,177 as against $457,650 a year ago. The company has a contingent liability of $550,000 for guarantee of bank loan of Associated Quality Canners.

Working Capital

	1934 $	1933 $
Current assets	692,177	457,650
Current liabilities	77,803	44,661
Working capital	614,374	412,989
Ratio	8.89—1	10.26—1

Accounts payable are up slightly to $42,803 as compared with $34,661 in 1933 and $35,000 is provided for income taxes compared with $10,000 the year before. The substantial improvement in the current assets has resulted in a big improvement in working capital which now stands at $614,374 compared with $412,989 in 1933 and $151,584 in 1932.

COMPAGNIE FONCIERE LOSS $6,457 IN 1933

Farm Properties Better But City Real Estate Unsatisfactory

La Compagnie Fonciere de Manitoba suffered a net loss of $6,457 in 1933 compared with a loss of $163 in 1932. The annual report states that 1933 was the worst year in the history of the company.

Farm property operations have been a little better than in 1932, grain prices having been somewhat better, the report states. City properties, however, showed much lower revenues than last year, it is stated, as rents have gone down considerably and there were quite a number of vacancies. Conditions in this respect are reported a little better at the end of 1933. The company wrote off $2,117 on account of losses. Expenses, it is stated, will be much lower next year, probably over $1,000. Owing to this reduction, lower taxes, and other arrangements, the company started 1934 $2,000 or $3,000 better off than last year, it is reported. Profit and loss statement follows:

PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1933 $	1932 $
Gross revenue	10,861	17,808
Less:		
Current expenses	7,209	7,433
Taxes	84	150
Audit fees	400	400
Amort. on debs	907	921
Interest	6,591	6,332
Losses w/o	2,117	2,730
Net loss	6,457	163
Prev. surplus	2,079	2,242
Surplus	*4,378	2,079

*Deficit.

BANK PERSONNEL SUBJECT OF SURVEY

Metropolitan Life Prepares Report of Current Practices

From Our Own Correspondent

MONTREAL.—Trading and service divisons for employees in banking institutions is set forth in the survey conducted by the Policyholders Service Bureau of the Metropolitan Life Insurance Co.

Sixty prominent banking institutions in the United States contributed information to this survey which points out that training activities are conducted by the Policyholders' Service sometimes arrangements are made for employees to take outside courses. Three types of training activities were reported: training for specific positions, continuation school training for boys and general education activities for all employees. Details are given of the arrangements of principal banks. The measures taken by these sixty banks to safeguard the health of their employees, as presented in the report, include physical examination, first aid, health education and vacations.

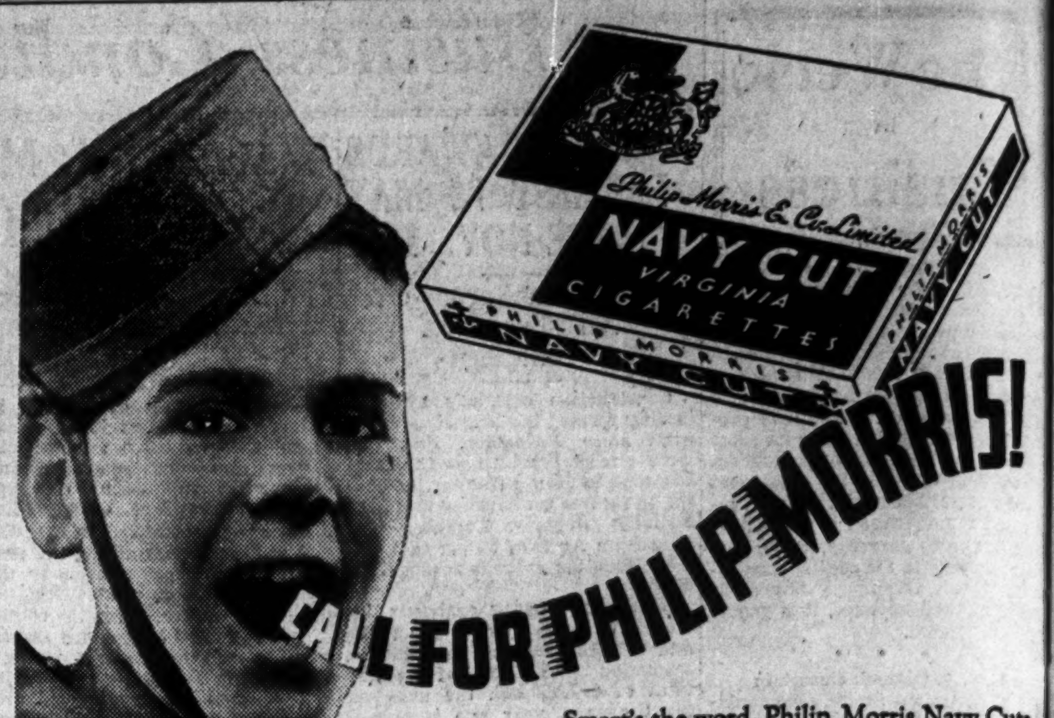
In regard to service activities, the report states that social, recreational and other activities frequently are included in the bank personnel programme. Although the results are indirect and often intangible, the survey states that many banks are of the opinion that such services pay dividends in the form of greater satisfaction and co-operativeness on the part of employees.

Copies of this survey are to be had on application to the Canadian head office of the Metropolitan Life Insurance Co. in Ottawa.

Stop & Shop May Sales Show Steady Increase

Stop & Shop Ltd. sales for the four-week period ended May 19 were $516,830 which is a 2.75 per cent increase over the corresponding period a year ago when they were $502,993.

For the twelve-week period ending on the same date sales were $1,613,350 as compared with $1,516,845, a gain of $96,505 or 6.36 per cent.



Smart's the word. Philip Morris Navy Cuts in their striking blue and gold package offer you a quality cigarette at a popular price. Try them. Compare them. A mild, cool and wonderfully mellow cigarette—made of golden leaf Virginia.
PREMIUM CARDS IN EVERY PACKAGE 10 for 10¢ - 25 for 25¢ - TINS OF 50 - 50¢

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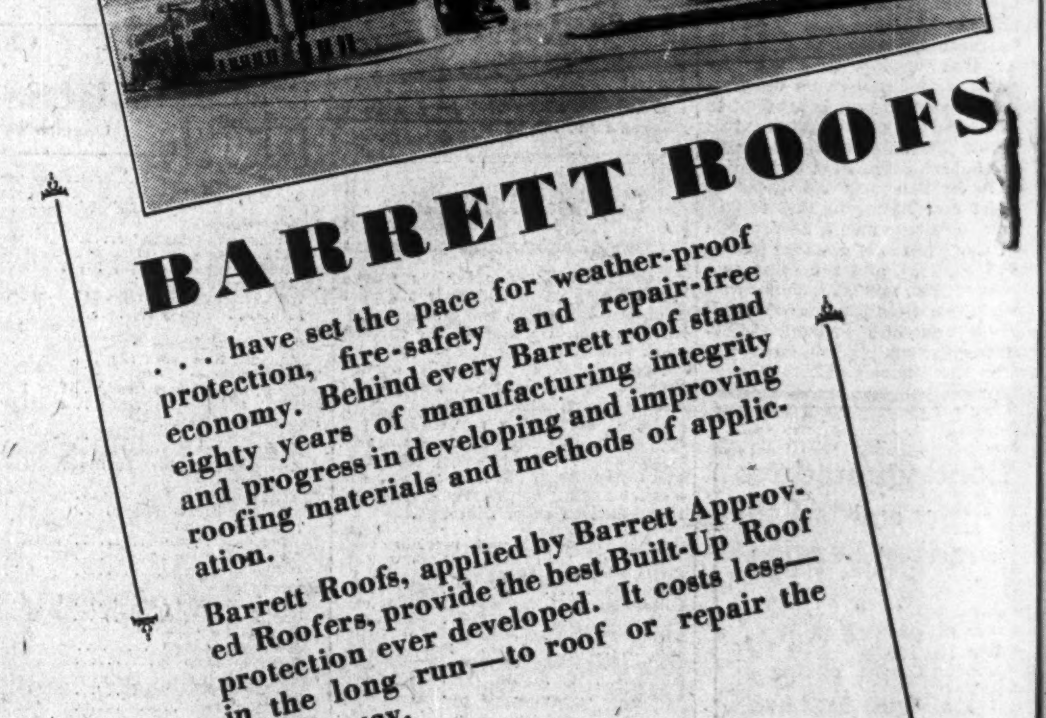
A Conference Telephone Service is now available which permits discussions by telephone between business associates on the same premises, or in the same city, or in widely separated cities.

The convenience of such a service is apparent to persons whose business requires group conferences. The advantages include greatly reduced expense, speedy decisions, elimination of errors, and stimulating of activity. It is of particular benefit to firms having widely separated plants and branches.

A folder entitled "Like Sitting Around a Table" explains this Conference Telephone Service. A copy is yours on request. We suggest you ask your local telephone Manager for one.

THE BELL TELEPHONE COMPANY OF CANADA

Owner—Coca Cola Company of Canada Limited, Montreal, Que.
Architect—Kenneth G. Rea, Montreal, Que.
General Contractor—John MacGregor Limited, Montreal, Que.
Roofer—Geo. W. Reed & Co. Limited, Montreal, Que.



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. . . have set the pace for weather-proof protection, fire-safety and repair-free economy. Behind every Barrett roof stand eighty years of manufacturing integrity and progress in developing and improving roofing materials and methods of application.

Barrett Roofs, applied by Barrett Approved Roofers, provide the best Built-Up Roof protection ever developed. It costs less—in the long run—to roof or repair the Barrett way.

Ask about the Barrett Roof Inspection service offered to owners of flat roofs . . . no obligation.

The Barrett Company Limited
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have the Greatest Life Expectancy

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Thrift Stores

Will you be good enough to let me have a report on Thrift Stores? I'd like to know what their sales are, working capital position and whether or not a dividend is being paid.

Thrift Stores report on sales from 1926 to 1934 shows a steady increase, turnover in the twelve months ending March 31 last amounting to $4,508,625. The latter figure represents an increase of nearly $400,000 over that reported in 1933. Net operating earnings have followed the same trend as sales, though it is noted that in 1932 the percentage of profit in relation to volume of sales was less than in 1933. In other words, the net operating income was about $1,000 less, while the volume of sales increased by nearly $400,000.

The balance sheet indicates a satisfactory financial position with net working capital amounting to $403,169. The ratio between current assets and current liabilities at March 31 last was 3.35 to 1. Regular dividends have been paid on the first and second preferred stock in the last four years, while in the past fiscal year dividends were initiated on the common stock.

Ottawa Power

Please let me know the book value back of Ottawa Light, Heat and Power Co. bonds. Have you any information on current earnings and is the bond interest being earned and paid?

Ottawa Light, Heat and Power Co.'s financial statements for several years past indicate a well established earning power, with annual bond interest earned after depreciation and general interest by approximately 2.50 times. The balance sheet shows the company to be in a satisfactory financial position, while the equity back of the bonds amounts to $2,388 for $1,000 bond. There is nothing of especial importance to report in regard to current operations of the company. Earnings are understood to be on a par with those of 1933. The company is not only meeting its bond interest, but is paying regular dividends on its preferred and common stocks.

Canadian Industries

Please give me your opinion on Canadian Industries preferred and B stocks. What is the book value back of these shares?

Canadian Industries is closely associated with Imperial Chemical Industries of Great Britain and E. I. Dupont de Nemours and Co. of the United States, and dominates the heavy chemical field in Canada. The company is ably managed and its earnings have been well maintained over a period of many years. The current volume of business is understood to be somewhat better than in 1933. Price reductions of various principal products have been announced from time to time, accompanied by the statement that the reductions have been possible due to the larger volume of sales. The book value back of the preferred, at the end of 1933, amounted to $672 on each $100 share. The book equity of the no par value common stock was $39.72 a share.

Imperial Oil

Will you please give me your opinion of Imperial Oil at the present price? Is there a possibility that spread of Diesel engines and engines capable of using cheap fuels may hurt it?

An investor buying shares of Imperial Oil at the present time would do so because he is impressed by the remarkable dividend record of the company up to 1930. He might also be impressed by the fact that, though the company has been earning less on its shares since 1929 and each successive year, it has managed during that period to make two bonus payments. This has been from profits accumulated outside of Canada some years ago.

The spectacular development of Imperial Oil was in part because the company has always had excellent management but also in great part because it was coming along at the same time as the remarkable expansion in the oil industry as a result of the adapting of the internal combustion engine to travel by highways. It is now the leading company in Canada in an established and gigantic industry and further expansion can be expected once the depression has been successfully surmounted. The company sells not only gasoline but it is capable of giving such elastic treatment to its main raw material, that is, crude oil, that it can determine the percentages of fuel oil or gasoline obtained. Thus, if motor cars began to turn in increasing numbers to Diesel engines, the company could easily follow the business into this new development. In fact, it supplies the growing Diesel requirements in industries and power plants already to a marked extent.

Imperial Oil has one of the strongest financial structures of companies in Canada, but its dividend of 50c. a share was only earned by a 2c. margin in 1933. More than two thirds of its dividend came from outside Canada and mainly from operations of International Petroleum whose income account and balance sheets are not published. The improvement in world prices of crude oil has been helpful to the company but the potential excess production still stands. Unless war and revolution changed matters it is scarcely likely that such huge profits will be made by companies exploring for, drilling and exploiting oil-bearing strata as in the past. The scarcity value of crude petroleum has gone. There is more than the world can use for many years to come, and advances in hydrogenation and drilling economies have made it possible to use crude which once could not be used and to add the coal of the world to the raw materials from which motor spirits can be derived. Immediate chances for improvement in company earnings are difficult to assess though improvement in industrial activity will help.

Simon and Sons

I am thinking of averaging down on my share holdings in H. Simon and Sons. It would be appreciated, therefore, if you would let me have a report on the current position of the company.

H. Simon & Sons has improved its position over the past year. Net earnings in 1933 amounted to $42,492 as compared with $26,370 in the previous year. The balance sheet at the end of last year indicated a satisfactory financial position, with net working capital amounting to $576,723. The improvement in the company's position is reflected in the fact that on March 1, last, the company resumed dividends on the preferred stock with a declaration of $5.25 on account of arrears. This company is engaged in a trade which is quick to reflect changes in business conditions. With an increase in purchasing power, smokers turn to cigars and of late months, this tendency has become more noticeable.

Howard Smith

I am considering purchasing a few shares of preferred stock of Howard Smith Paper Mills, but before making commitments would like to have your views as to the current position and the outlook for the company.

Howard Smith Paper Mills' earnings since 1930 have been maintained on the basis of about $150,000 annually, as compared with dividend requirements of $270,000 on the 6 per cent cumulative preferred stock. No dividends have been paid on the latter since March 1, 1931.

Income account for 1933 showed a net profit available for dividends amounting to $161,277. While it is reported that the volume of business handled by the company since the beginning of the year has been on a better basis than for the same period last year, there has been no indication of a consideration by the management to resume dividends on the preferred stock. These arrears of dividends at the end of last year amounted to $765,000.

While Howard Smith Paper Mills has been able to strengthen its position of late, its subsidiaries have not done so well. Their earning power has been limited, and in addition, Howard Smith Paper Mills has undertaken contingent liabilities in respect to these subsidiaries aggregating approximately $600,000. Another factor which is likely to militate against an early resumption of dividends is the fact that the sinking fund on the company's bonded debt commenced on June 1, 1933. Until June 1, 1938, this sinking fund will require approximately $140,000 annually.

St. James Bonds

What financial progress is the rural municipality of St. James, Manitoba, making? What are the 5½'s of 1956 worth? How should I keep posted as to the changes in value of the bonds, and what possibility is there of resumption of interest?

Rural municipality of St. James, Manitoba, is under the administration of W. C. McKinnell, supervisor, appointed by the Manitoba Municipal and Public Utility Board. Tax collections showed some improvement in 1933 and Mr. McKinnell recently remarked that if collections are as good in 1934, a considerable amount should be available for debenture holders in 1935.

The percentage of tax collections in St. James in 1933 amounted to 81 per cent of the current levy. However, this included both payments on arrears of taxes and current taxes, and according to Mr. McKinnell, may necessitate a further curtailment of expenses in these municipalities. While Mr. McKinnell has described some of the Manitoba municipal situations as "very hopeless," the position of St. James is believed to be better than average.

The best way of keeping track of the price of defaulted municipal bonds is to keep in communication with some responsible bond dealer. The bid and offering prices vary substantially, because of the speculative nature of the securities. St. James 5½'s are quoted around 42. These quotations, of course, are subject to substantial changes from time to time.

Can. Inter. Inv. Trust

Can you let me have a detailed report on Canadian International Investment Trust? Are its holdings sound and what are the prospects of the company's stock appreciating in value?

Canadian International Investment Trust was able to record some improvement in its position last year. It is difficult to give an opinion on an organization of this type when it does not publish particulars as to investment holdings. While the company makes available its income account and balance sheet, this material is insufficient to enable one to form anything like an adequate opinion on the company's stock.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

O'Connell Gold Mines

I would appreciate any information you may be able to give me regarding O'Connell Gold Mines.

The O'Connell Gold Mines was formed early this year to develop a prospect adjoining the Matachewan Consolidated Mines in the Matachewan area of Ontario, under development by Ventures, Ltd. At the present time there is no indication that there is any real relation between the merits of the two properties. O'Connell is carrying out a diamond-drilling programme and sinking a shaft in the hopes of determining that the property has some importance. At the present time it can only be considered as a raw prospect and as such holds all the possibilities and all the risks of any undeveloped property.

Amity Gold Mines

Will you please advise me of the present set up of Amity Gold Mines, Ltd., and the position of the old shareholders? Do you consider it a buy around two cents per share?

Amity Gold Mines was incorporated on February 21, 1934, to succeed the Amity Copper & Gold Mines. One new share in the present company was given for each four shares in the predecessor company, R. S. Potter, president, and P. E. Doal, vice-president, have been connected with several promotional activities, none of which has been brought into profitable production. The present holdings of the company in Bourlamaque township are under preliminary development, but at the present cannot be considered more than raw undeveloped claims. The old Amity property at Boston Creek did not show importance under the sound management of the predecessor company even when copper was at high prices.

Columario Con. Gold Mines

As a subscriber to your valuable paper would you please give me any information you can about Columario Gold Mines Ltd., of B. C., and what the prospects are for this mine?

Columario Gold Mines was succeeded in April, 1933, by the Columario Consolidated Gold Mines which was sponsored by essentially the same group of promoters. The company is headed by John Callahan, K.C., of Toronto, who was also identified with the predecessor company. Upon the organization of the present company the shares were exchangeable on a share-for-share basis, but the transfer shares were pooled more or less indefinitely in order to permit the present group carrying out their financial programme. A few weeks ago the Stock Exchange censured the officials for their market activities when their stock reached a high level and then broke badly.

In explanation of the financing methods, it might be stated that the present officials, who are also associated with the syndicate that is doing the financing secured 500,000 shares at 25 cents each as a bonus for loaning the company $75,000 which is to be paid back. The syndicate has also issued 200,000 shares at five cents a share in consideration of paying the debts of the predecessor company. That the company has a profitable mine has yet to be demonstrated. From the amount of information that is available, indications are that the veins are narrow, high grade and erratic. However, a 50-ton mill is under construction.

Nicola Mines & Metals

I have purchased some shares in Nicola Mines & Metals at 87 cents each and am now wondering if it is a fair gamble. Any information you can give respecting the company would be appreciated.

Nicola Mines & Metals is a promotion of a New York group of financiers, seeking to bring an old gold producer at Stump Lake, British Columbia, into profitable production. The property has been worked sporadically for the last 30 years, within indifferent success. The present price of gold definitely changes the outlook for profit and a well directed programme of development has been under way the last year and a 150 ton mill started into operation recently.

Considerable criticism has been levied by The Financial Post, at the financing methods involved. An average of something like 16 cents per share accrued to the treasury out of the stock that had been sold as high as $1.32 per share. This spread we consider entirely too great for the fiscal agents. It is impossible to appraise the potentialities of the property for although considerable development work has taken place by the new group, no estimate of ore reserves or ore potentialities has been made.

NOTICE TO
PORT MOODY, BRITISH COLUMBIA
BONDHOLDERS

Bondholders of the above-mentioned City are hereby notified that a meeting will be held in the Board Room, 11th floor of the Stock Exchange Building, 495 Howe Street, Vancouver, British Columbia, at two o'clock on the afternoon of July 11th, 1934, for the purpose of considering a refunding proposal.

Bondholders are also requested to get in touch with the undersigned Fiscal Agents.

McDermid, Miller & McDermid
Limited
495 Howe Street, Vancouver, British Columbia

Penmans
PEN ANGLE — WARRANTED HIGH GRADE PENMANS KNIT-GOODS
Manufacturers of High-Grade
KNITTED UNDERWEAR
HOSIERY and OUTERWEAR
Mills at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec
PENMANS LIMITED
General Offices: Paris, Ontario

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Signing Blank Cheques

THE tipster sheet racket isn't what it used to be. Its recent revival was greeted with such a storm of searing publicity, that within a few weeks the mortality rate among so-called financial advisory bureaus was enormous. Currently, the number of sheets received through the mail per day is only about four or five, compared with an average of a dozen a few weeks ago, financial men report.

But resilient and adaptable is the financial operator, and varied are his methods. This fact makes sage business men view with extreme scepticism new schemes, even when sponsored by men assuming the disarming nom de plume of "I-Trust-You Champlain," a gentleman who is conducting a novel advisory bureau from Montreal.

One hesitates to brand such an ingenious and, apparently, ingenuous proposal as that advanced by "I Trust You" as a racket. The Financial Post sincerely hopes that Champlain's concern for the welfare of investors is as genuine as that of his historical namesake for the welfare of New France. Champlain "trusts the investor." Some investors may reciprocate.

* * *

CERTAINLY Champlain's method of doing business is the acme of simplicity. The investor signs a contract in which he agrees:

(1) To make no advance payment to Champlain, and no payment of any kind, unless he makes a profit on the advice given.

(2) To accept and pay for telegrams sent by the self-styled "Financial Advisory Specialist."

(3) To buy promptly any listed stock advised, and to sell when advised.

(4) To notify Champlain promptly, stating when the stock was bought, how much, and at what price, and to do the same when the stock is sold.

(5) To pay Champlain 7 per cent of the net profits made.

* * *

CHAMPLAIN probably knows his own business, but perhaps one or two suggestions would not be taken amiss.

If Champlain really wishes to impart a further note of sincerity to the prospectus which he is now sending out by the hundreds to his mailing list, he might clear up a few of the following points:

Why does he dissipate the expert and inside information which he claims to have on the masses? Why collect a measly seven per cent for his knowledge when he might utilize it to become financially independent himself, and not have all the bother of sending out telegrams and prospectuses to perfect strangers? Many of these strangers have done nothing for Champlain and would only be too quick to give him a black mark if occasion arose. Champlain is carrying this Samaritan business too far.

Then, he should make it clear just how binding the agreement is. By signing it, his clients have, in black and white, bound themselves to buy, "promptly, any listed stock" he advises, and to sell accordingly. It would seem to the writer the part of wisdom for a potential investor to get a legal opinion as to how much he may be letting himself in for by signing. Is it, for instance, like signing a blank cheque?

THIRDLY, Champlain should, most emphatically, come out from under the charming but unbusinesslike cognomen of "I-Trust-You Champlain." He should say who he is, what his present and past connections are, and whether or not he stands to gain by the sale of any one or more stocks.

Champlain stresses the fact in his literature that he cannot make a profit unless the client profits from his advice. He should also remember (and this is entirely his own business) that he cannot make a profit unless his clients are so scrupulously honest that they will set aside 7 per cent of any profits they may make and mail it to Champlain.

Champlain should be told that there are a lot of big bad wolves in the business world, who wouldn't think twice of taking his advice, making vast fortunes on his knowledge, and then neglecting to send him the 7 per cent pittance which is his daily bread.

Monthly Investment Guide

OUR June booklet "Investments" giving the price, yield and maturity of a selected list of Dominion Government, Provincial and Municipal Bonds and Corporation Securities is now available.

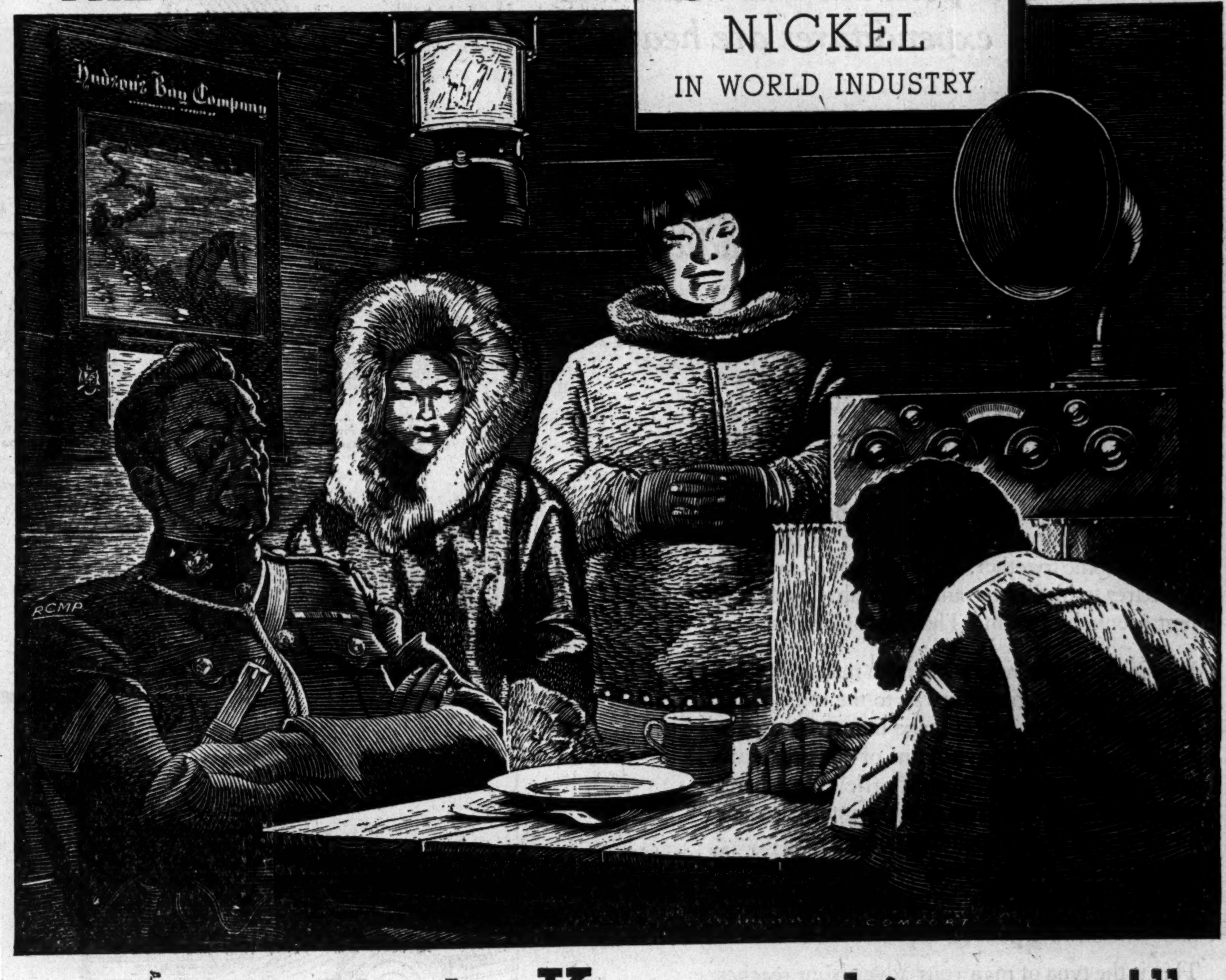
We will gladly mail this investment guide monthly on request.

DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

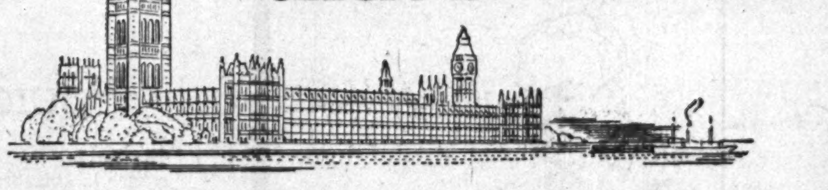
THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
63 Years in Business
Capital $2,000,000—Reserve Fund $3,200,000
Make Mortgage Loans on Owners' Homes at reasonable rates of interest.
ARCHIBALD McPHERSON, President T. H. MAIN, Manager

THE RADIO INDUSTRY . . . .

CANADIAN NICKEL IN WORLD INDUSTRY



"that's the King speaking now!"



THE KING SPEAKS—instantly his message is heard in the frozen North, in Australia, India, Africa, and all parts of the world. Clearly, naturally and intimately his voice reaches out through the receiving sets of millions of intent listeners. It is the magic of Radio.

This greatest of modern discoveries—the radio—is daily serving each one of us. Warnings of danger, weather and market reports, the latest news, the best in music, literature, sport and drama—the great events of the moment are at our finger tips.

In this service, Nickel is playing an unseen but very important and effective part, for in the more than fifty million radio tubes used annually in broadcasting and receiving sets throughout the world, Nickel helps make the sending and receiving of radio messages and programs clearer and more true to life.

In the plates, grids and supports that go into these radio tubes, many tons of Nickel are used each year. For the laminated cores of audio transformers, Nickel iron strip is used. The use of Nickel in the radio industry is constantly broadening and growing as research and experiment disclose that Nickel by itself or as an alloy is the ideal metal for numerous radio purposes, in many instances displacing other and more expensive metals.

Such research and development work is constantly carried on by our engineers and technical staff in co-operation with the engineers and executives of each industry. For it is necessary, in order that the industrial use of Nickel may be increased, to prove that through its use, more efficient, enduring and economical materials, equipment and appliances may be produced.

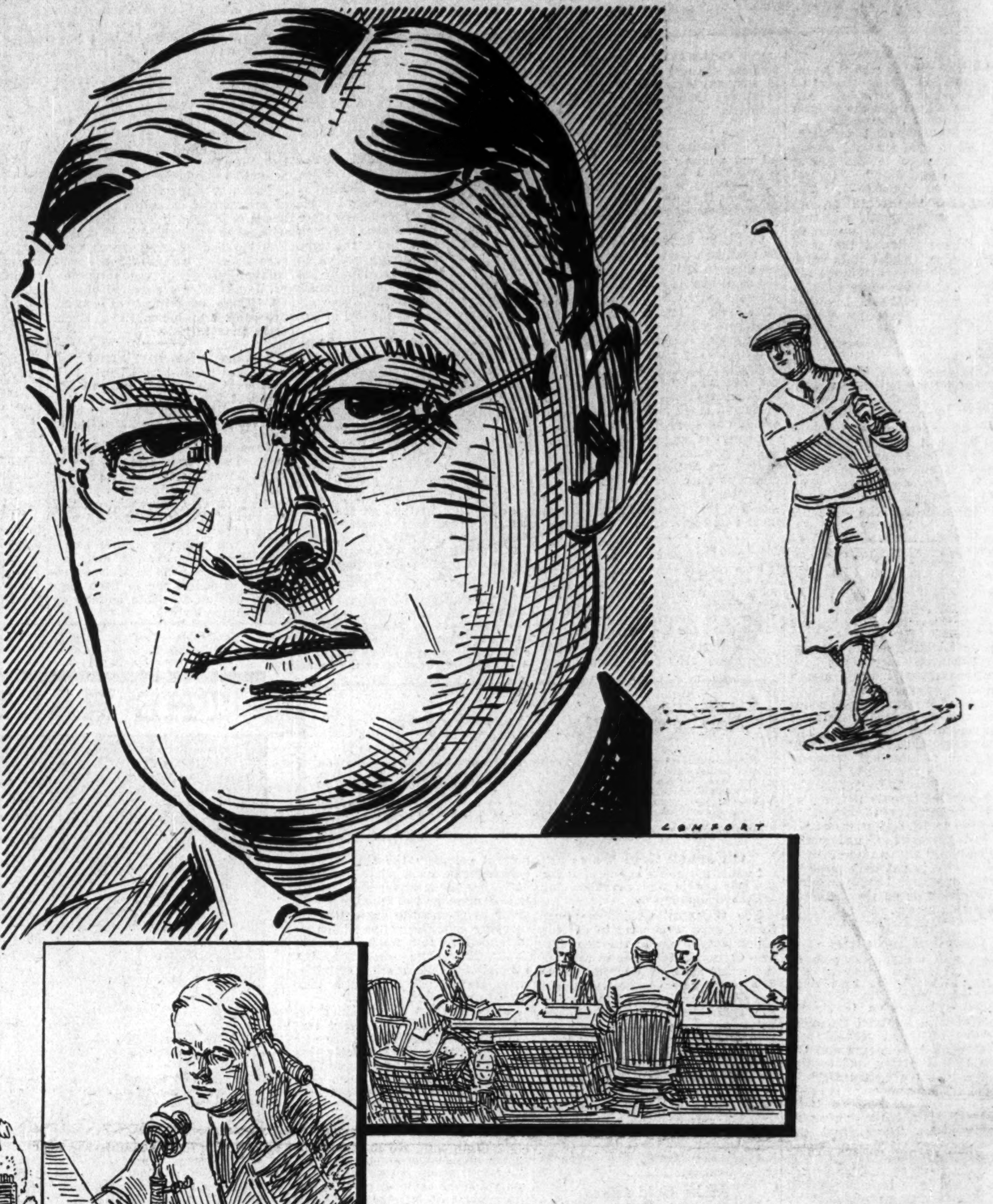
This co-operative effort is but part of the intensive world-wide sales effort that is resulting in the great and growing use of Nickel in world industry.

THE INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED

"The Story of Nickel", an interesting booklet dealing with the history and development of Nickel, may be had without charge by writing to the Company at 25 King Street West, Toronto.

INCO NICKEL — INCO MONEL METAL

This Man can Afford to Buy the Things You Have to Sell



He spends MILLIONS YEARLY for Merchandise of all descriptions

His personal and household expenditures are heavy

His word is the deciding factor in the purchase of business and industrial equipment

HE lives in a substantial home in one of the better residential districts. He drives a car, and trades it in every few years. He belongs — in his clubs or socially — where the leaders of his community foregather.

In his tastefully furnished home, men of enterprise and ability in various walks of life, frequently come together. But often of an evening he retires to his library and keeps abreast of current events by reading The Financial Post.

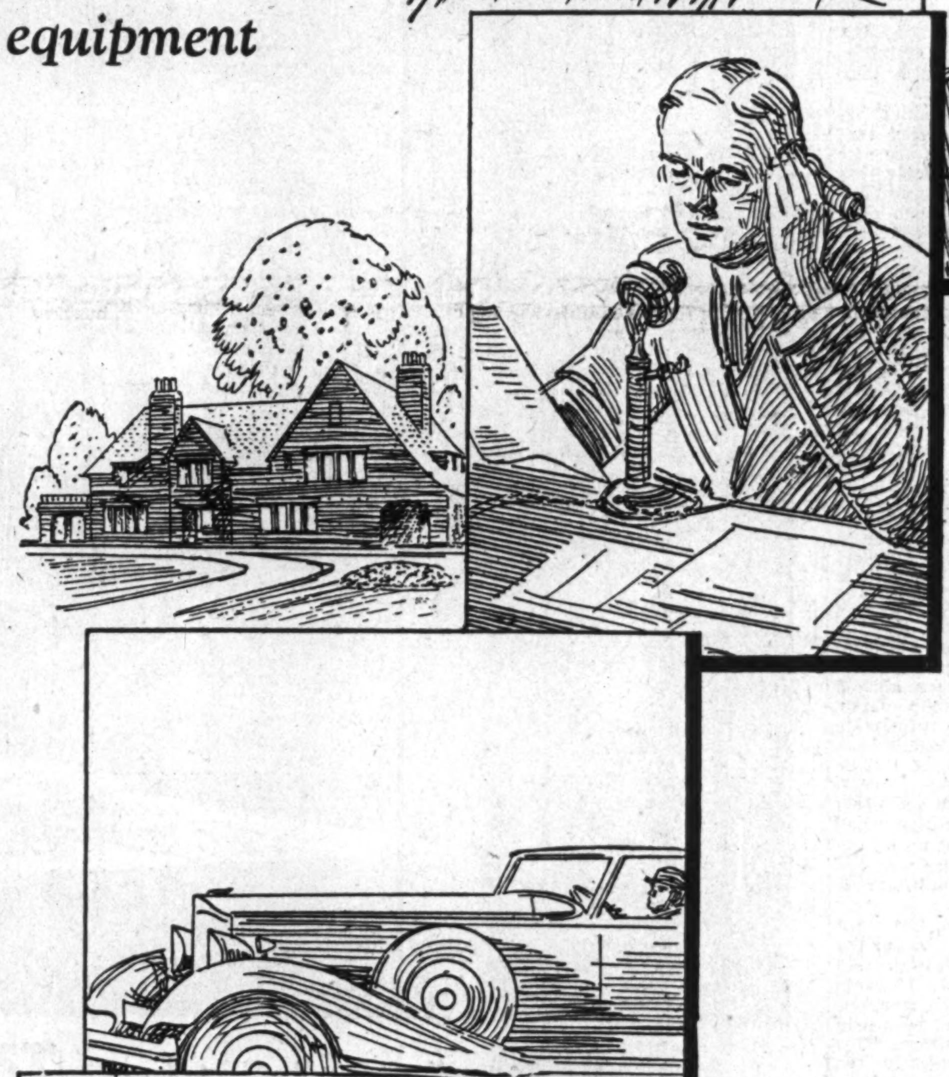
For in business hours he is a man who *has arrived*, or is forging his way to the top. He is the head, or owner, of a large industrial organization—or an executive of one of our great railway systems—or a prominent official in a bank—or the brains of a great mining enterprise—or an alert and up-and-coming younger executive of a construction company — or the managing director of one of our large public utilities or investment firms.

This is the type of man your advertising reaches when it appears in The Financial Post. It speaks to the man who has money to spend not only on the necessities of life, but also on all those items which are essential to the man who must maintain a standard of living well above the average.

A heavy buyer of personal and household merchandise

THE FINANCIAL POST reader owns a car—possibly two. Heavy expenditures are made in his home — for furniture, rugs, silver, radios, pianos, kitchen equipment. And because he is a shrewd business man his word is the deciding factor in every substantial expenditure in the home. His position demands that he be correctly and appropriately dressed both for business and social events, so he is a heavy purchaser of the better grade of wearing apparel.

Your advertising in The Financial Post reaches a nation-wide audience of people all of whom enjoy substantial incomes. They can well afford to purchase the products you have to sell.



QUICK FACTS

The buying power of The Financial Post reader is extraordinary. Multiply this buying power by the total circulation of The Post and you have an immense market for nearly every commodity sold.

* * *

The Financial Post reader has money to spend for home furnishings, motor cars, clothing, sporting equipment, necessities and luxuries.

* * *

His is the deciding voice in the purchase of business and industrial equipment.

* * *

The Financial Post has the largest circulation of any Canadian financial or business publication.

* * *

It is the only paper in its field to submit its circulation to the searching scrutiny of the A. B. C.

The real buyer of business and industrial equipment

IT has been found that only 25 per cent of the buyers in business and industrial concerns have full power to buy. In three cases out of four they are obliged to consult with the men higher up in the company. Your advertising in The Financial Post reaches these "higher ups." It reaches those who are fast working their way up to leading executive positions. It gives these men the advance information they must have if your product is to receive its just consideration when the final decision is made.

Many products are already sold when presented to the executive or board of directors, because they have been sold in advance to these executives by careful, logical, persistent advertising in the columns of The Financial Post.

The most economical entree to Canada's richest market

THE FINANCIAL POST reaches out all over Canada to that great body of forward-thinking men who guide the destinies of Canada's enterprises — or their departments, branches, services. The combined buying power of this group, for personal, household and business and industrial products is enormous. These are the men who turn to The Financial Post for reliable information, guidance and constructive help in their business and personal affairs.

Your advertising message in The Financial Post is carried to this selected class. You buy 100 per cent quality circulation. There is no waste.

Consult your advertising agency regarding circulation, coverage, rates.

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVIII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JUNE 9, 1934 | 10c a Copy; $5.00 a Year | No. 23

Says Farm Loan Rates At Economic Minimum

Investment Executive Believes Farmer Needs Only Short-term Bank Credit and Long-term Mortgage Loans — Would Modify Provincial Moratoria

By R. P. BAKER,
Investment Executive, Huron & Erie Mortgage Corp.
Part of Address to Canadian Political Science Association.

During recent years it has been customary to consider agricultural credit under three separate and distinct classifications, known as "short", "intermediate" and "long term" credits. It seems to me, however, that the farmer really requires only two types of credit, namely, "long term" or mortgage credit; and self-liquidating loans for production and marketing purposes, which must be for comparatively short periods.

Short term or liquid credit is, generally speaking, a banking proposition as it involves advances for a period of say, three to six months. During recent difficult years, mortgage lending institutions have found it necessary to provide a considerable amount of temporary accommodation for their own borrowers but this is obviously a burden that the mortgagee should not be called upon to assume. It is essential that suitable facilities should be provided to enable a farmer to carry on operations from seeding to harvest, as advances are required from time to time for seed grain, feed, labor, binder twine, etc. It strikes me as being strictly a banking function and entirely feasible for our chartered banks to handle but if our banks cannot see their way clear to provide this accommodation it will be necessary to provide other facilities to fill the need.

Co-operative Lending

It is possible that I may be too close to the picture to give an unbiased opinion, but I must say quite frankly, that I do not believe co-operative credit organizations will provide mortgage money at lower rates. Our farmers are individualistic, and while sympathizing with his neighbor, he will, if his farm is clear of debt or he is making satisfactory progress, decline to guarantee his neighbor's loan. It is not a reasonable proposition, and while it may work in isolated districts, the chances of success over a broad field are, in my judgment, exceedingly slim.

So far as the argument of providing cheaper money is concerned, it is manifest that the experience of government lending agencies has not shown that the results obtained have warranted the effort and expense involved. As to the other argument of providing funds in districts where private lending agencies fear to tread, I leave it to you as to whether or not the Government is warranted in encouraging agricultural development in districts that are regarded by the more experienced private lenders as unduly hazardous.

Rates of Interest

Having rejected the two possible methods of providing credit for our farmers at reasonable rates, co-operative plans and an extension of government loaning schemes, which are the only alternatives to our present system worthy of consideration at the moment, we are forced to examine our present set-up in order to discover what is wrong. Well, what is wrong? The only criticism I have found is that the rates of interest charged by loan, trust and insurance companies are too high. Complaints against the methods and practices of these great institutions are rare, and would be still less if we did not have so many ambitious politicians who have never taken the trouble to study even the elementary principles of economics. But let us examine for a moment this question of interest. There are four prime factors constituting the interest rate to be charged on mortgages, as follows: 1.—Cost of borrowing money, 2.—Overhead cost, 3.—Loss factor, 4.—Profit to lender.

Accurate figures as to the cost of borrowed capital are not available but in the case of one large loan company which exercises a great deal of care in determining costs, I find that the average cost of funds borrowed by way of sale of debentures in Canada during the past 10 years, ranged from 5.218 per cent to 6.099 per cent with the average over the 10 year period 5.68 per cent, while the cost of money accumulated through savings deposits ranged from 4.658 per cent to 5.547 per cent with a 10-year average of 4.94 per cent. You understand, of course, that savings deposits represent a small percentage of the total funds invested with loan and trust companies and it is necessary for the companies to keep a fairly large proportion of these funds in readily realizable assets, so that the opportunities for profit are quite limited. During the same period the cost of all borrowings proved to be from 5.082 per cent to 5.915 per cent with a 10-year average of 5.490 per cent or practically 5½ per cent. This rate covers interest paid and overhead charges attributable to the acquisition and handling of the borrowed capital, but does not of course, include any overhead charges incidental to the investment of these funds

Illuminating figures, with respect to the overhead cost of investing in mortgages are supplied by the same large company which is, as I have already indicated, a representative one. The overhead cost incidental to mortgage loans over a 10-year period is shown to be .921 per cent.

Due to the long, honorable record of our Canadian loan, trust and Insurance companies, it has been possible to borrow money from the public, at lower rates than any organizations, other than governments. At times these institutions have borrowed at even lower rates than governments, which is an eloquent tribute to the high quality of security offered. Over a protracted period however, it is perhaps fair to say that these companies, particularly the loan and trust companies have to pay possibly one-half of one per cent more than the rate at which the Dominion Government can borrow. The average rate being paid on the net debt of Canada as at March 31, 1932, was 4.97 per cent and on March 31, 1933, 4.68 per cent, while the average rate paid by the corporations, other than the railways, on funded debt, was 5.49 per cent. It is reasonable to suppose that the average rate being paid under existing contracts by loan and trust companies on borrowed money is approximately 5¼ per cent.

To this cost must be added the overhead expense incidental to mobilizing the funds and also the expenses of investing in mortgages. The latter item of expense varies considerably according to the locality, due to inspection costs, etc., but in any event, this expense would scarcely be less under any government scheme. The overhead cost of borrowing and lending has been variously estimated by the different companies but it is probably not less than one per cent or more than 1½ per cent, a reasonable average being 1¼ per cent. If therefore, a company must pay an average rate of 5¼ per cent, it is obvious that a return of 6½ per cent on a mortgage allows nothing for losses or profit. Economies in management or a considerable volume of investments in a single loaning field, may enable a company to reduce the overhead cost but it would be unreasonable to suppose that the cost could be cut below one per cent.

Rates in the West

In the sparsely populated prairie provinces the administrative costs are unusually heavy, due to the comparatively long distances to be covered in making inspections; the need for close supervision; the uncertainty of returns, due to climatic and other natural difficulties; and so forth. According to figures submitted to the banking and commerce committee of the Dominion House a year ago, the average rate being charged on farm loans in the three prairie provinces by thirteen representative loaning corporations was 7.38 per cent. Having in mind the higher expense ratio in the prairie provinces, it will be readily seen that the margin provided to take care of losses and provide a small profit is indeed a narrow one.

The ratio of delinquency in connection with eastern farm loans has always been considerably in excess of that in eastern loaning fields and this is a further fact militating against lower interest rates for the western farmer. In short, the rates of interest charged from time to time have been determined as a result of economic consideration and I have no hesitation in venturing the statement that, while some Government organizations have been able to provide credit for the farmer at lower rates of interest than those charged by our large lending institutions, this has only been possible by bonusing at some point. In other words, I am fully convinced that the province of Ontario cannot provide loans to farmers at a 5½ per cent rate on an economic basis, nor can the province of Saskatchewan, for instance, furnish loans at a 6½ per cent rate, and charge all proper expenses to the farm loan organization, including rates paid by the province for the money, together with the cost of securing the money; all legitimate administrative expenses, and reasonable provision for losses.

Saskatchewan Losses

As a matter of fact, you probably noticed a report in The Financial Post early this month which indicated that the Saskatchewan Farm Loan Board had already suffered losses of roughly $4,000,000 on business capitalized at the end of 1933 at slightly over $17,000,000. If this be a fair statement, we are faced with two alternatives. Either the Governments must recognize that they must continue this "sop" to the farmer, and deliberately set forth to bonus our basic industry of agriculture—a dangerous path to follow—or they must conclude that economics must ultimately determine the country's policy, in which event it will be admitted that the great institutions that have provided mortgage credit in the past, after serving the country splendidly for almost a century, have been treated shamefully by some of our Governments.

Moratoria Problem

Perhaps the most difficult and discouraging situation confronting the mortgage lending institutions in this country today is the persistence with which some Governments seek to ameliorate the suffering of certain classes of debtors, apparently oblivious to the fact that they are merely transferring the distress to other and larger groups of our citizens. The utter futility of attempts to wipe out debts by legislation has been demonstrated so often that it should be unnecessary to argue the point. Nevertheless it is evident that many people—some holding positions of responsibility—still believe that various forms of moratoria legislation are not only desirable but necessary in an emergency such as we have been facing in common with the peoples of other countries for the past two or three years, and I feel that you would expect me to discuss the question briefly at this time.

It should be pointed out that insurance, loan and trust companies provide the bulk of the funds for mortgage loans, without which any kind of community development is virtually impossible. We must, of course, maintain a just balance between our responsibilities as creditors and debtors—we are both in almost equal degree—but our institutions have no right whatever to sacrifice the interests of policyholders, depositors, debenture-holders, beneficiaries under estates or even shareholders in any essential modification of its contracts. Let me emphasize the fact that we all share the feeling of genuine sympathy with mortgagors who find their ownership of property jeopardized as a result of their inability to meet their obligations. We strive to preserve ownership of properties by borrowers, and it has frequently been pointed out that the good sense of the lender impels him to extend the utmost leniency to embarrassed debtors during periods of stress—particularly when the lender happens to be an institution—as the last thing an institutional lender wishes to do is acquire property. This is a plain statement of fact that will not be challenged. Consequently a farmer who, with his family, knows the potentialities of his farm and is prepared to work hard and make some sacrifice in order to protect his home, requires no legislation to protect him from his creditors, as it is distinctly in the interest of the mortgagee to exercise the greatest possible patience with a good borrower, result in saving for the borrower, meet his obligations.

Injury to Lenders

It is fair to say that an overwhelming majority of our people want to pay their debts in accordance with contracts entered into, and do not seek to escape obligations they are able to fulfill, despite the fact that in numerous cases, the debts appear to be much more burdensome than anticipated at the time they were incurred, just as they expect our Governments and great institutions to meet their obligations in full. But many of these people need a little more time to settle and where there is an adequate margin of security and demonstrated ability to pay it is a comparatively simple matter for such borrowers to make satisfactory arrangements with the institutional lender. Thus leniency on the part of the lender plus determination on the part of the borrower, results in saving for the borrower properties that the lender has no desire to acquire and all are happy

It may, I think, be safely assumed that while admitting the desirability of low rates of interest, we can hardly afford to stifle the spirit of enterprise, nor to discourage the investment of new capital in this country. There are unquestionably certain risks involved in the inflexible mortgage on farm security as a channel for the investment of trust funds, but given the security of a stabilized agriculture and fair laws, competition will regulate interest rates so that these will compare favorably with the rates obtainable on other securities. Emergency relief is imperative, but permanent relief is only possible through the profitability of agriculture, and this must involve a fair return on capital invested.

War On Waste

City of London, Ont., has an efficient treasurer. It also has an auditor who prepares an annual examination of the city's affairs in a large book of more than 150 pages.

Probably the audited statement of London is the bulkiest of any major Canadian city. It exceeds in size that of the much larger city of Toronto. Yet it is a waste to the municipality of London.

The unimportant detail upon which comment is made, and the obviously excessively extensive audit of petty accounts and items indicates a large expenditure of time and money that need not be made. While it may be better for a city to be excessively careful than excessively careless, there appears to be no good reason for the waste involved in preparing and printing such an annual lexicon of small details. Its very size defeats its purpose because few would ever "wade through it."

"So This Is Main Street!": 1. Lindsay In 1934

In Which a Typical Canadian Town Is Examined to See What Modern Merchandising Has Done to It and How Chain Stores Have Changed "Main Street"

By OAKLEIGH DALGLEISH

"There is no opportunity at the present time, or very little opportunity, for the young men coming up in these smaller towns and communities of developing their personality and ever having an opportunity of becoming business men."

* * *

"The dominating influence exercised by the department store and its subsidiaries, as well as the chain store and its units, is a social menace."

* * *

"Even the most casual observer of the happenings of the past 10 years must be aware of the passing out of the picture of a very large number of individual or family owned stores in our various cities and towns."

* * *

"An examination into this system justifies the statement that there is not a civilized country in the world whose retail distribution system is comparable to that obtaining in Canada."

* * *

"There are some businesses left in our towns and cities that radiate the personality of the founder or the present proprietor. They are local institutions built around the family; there is an atmosphere subtle and refreshened which characterizes the relationship between the proprietor and his salespeople, between the store and its patrons. These, however, are an ever-diminishing quantity."

* * *

"The community is poorer when that type of retail establishment is replaced by a mere cog in the distributing machine."

* * *

Is It Really True?

All the above statements are taken from the evidence given before the Stevens Committee and are the opinions of witnesses who view the post-war development in merchandising with undisguised alarm.

Can it actually be true that the independent merchant has disappeared from Canadian towns?

Can it actually be true that the life blood has been sucked from our smaller centres?

Let us go into some typical Canadian towns—recognized shopping centres established for two generations or more and see them as they really are today. Let us take a hurried glance at their economic position and their social life and see how they measure up as communities.

First, Take Lindsay

Lindsay, 70 miles from Toronto, a moderate-sized town of some 7,200 people, is one of the best towns we could begin with. No community in the Dominion has contributed more leaders to Canadian political and business life than it has. The town has altered little in population or in relative importance in the past generation and we find it today as it always has been, a sturdy, progressive community.

As observers, it is a matter of no small significance that we travel to Lindsay by bus. Thus before reaching the town, there has been reason to ponder upon one of the intrinsic factors contributing to the realignment of merchandising in Canada. Twenty years ago everyone went to Lindsay—or left it—by rail. Now a concrete highway has tied it to Toronto and a host of what once were far-away places. Down the highway, buses and trucks roll in and out of Lindsay in an unbroken parade.

Exit, The Horse

Our bus did not pass a single horse-drawn vehicle during the entire 70 miles. There were no farmers in buggies on the way to town with butter and eggs to exchange for overalls and Sunday clothes. But there were farmers driving in motor cars into Lindsay to shop. The old system of barter, if it exists at all, is at a minimum.

Lindsay's streets are paved and clean. The stores are all well painted. These are significant social facts. My own recollections of Ontario's small towns a quarter of a century ago do not include any memory of well-painted exteriors. If I recall correctly, stores, like houses and barns, were painted every few years, and the paint was more often worn than fresh. Today the Main Street store fronts are modern and well dressed. Some of the merchants have committed what would have been a sin of unpardonable waste in 1914 by spending money on daylight window illumination.

Ten Chains on Main Street

In Lindsay "Main Street" is Kent Street. The red and gold, and black and white burgees of the big chain stores—there are ten chains on Kent Street—take away some of the strangeness that always grips one in entering a town for the first time. Main Street has taken on an atmosphere very similar to the shopping district of modern suburbia. Shiny, streamline cars nosed in against the curb, wide pavements bustling with noon-hour activity, modishly dressed young women, hurrying young men—that is Lindsay 1934.

—Decoration by Evan Macdonald.

MAIN STREET, ALMOST ANYWHERE IN CANADA—1914 AND 1934

Why was Lindsay here twenty years ago? Why is it here today?

Lindsay with 11 small industries in 1914 and two more today was, and is, essentially a farmers' town. It was a place for farmers to shop and to retire to. More than that, life was exhilarated and its potentialities expanded when the town was selected as a Grand Trunk Railway divisional point.

Lindsay 20 Years After

While Lindsay like any other town had its beginning as a trading post or service depot in accommodation to some form of neighborhood production, the reasons for its continued existence have gone deeper than that. When you examine that question you find yourself grasping for the ends of a multitude of interwoven trends that make up community life.

So let us try to picture the Lindsay of 1914 and draw a background for our study of the town of 1934. Get out your album and take a look at that year 1914.

Those were the days of high-laced boots for women; when daughter's skirts were lengthened two inches for every inch her hair grew down her back. Powder had become a commodity to be applied in secret, but cosmetics were prima facie evidence of a scarlet past.

You would have found motor cars on Kent Street, the thin tires, which rimmed great length of spokes, unimpressed by the hard ruts of the road. Most of them would have been of the Model T pattern with dazzling brass fittings. A self-starter could be had as an extra.

Merchants Were Big Men

Kent Street itself was not a great deal different then from now. The newer bank buildings were not there, of course, and there were no filling stations. The three-story stone and brick headquarters of the Victoria Trust and Savings Corporation was still a dream and an ambition. The general merchants filled all the important offices in town. Probably the best team in the neighborhood baseball league was the "Clerks."

War brought more than horrors and death to Lindsay; more than fame to the local soldiery and a monument to Central Park. It started an age of increased production and high prices in which the agrarians were to have a goodly share. It gave machinery a new meaning that was readily understood where primary producers were reaping a harvest hitherto unimagined. It brought scientific changes that were translated into fundamental alteration of some of the older conditions. People who were averse to change were going to find post-war conditions difficult to absorb and some of them did not fight the good fight very long.

Influence of Motor Cars

A few years ago motor cars came more and more into use. Their rapid advance crammed hours into the people's day. The dirt roads became paved highways. The big city was drawn miles closer by this combination. It became more attractive and the visits more frequent.

The "movie," too, became a local institution. It brought dash and verve and the color of foreign places to the pastoral scene. The first noticeable reaction was local mimicry of the styles it sponsored. What Hollywood wore one month, Lindsay's young ladies demanded the next.

Mail order catalogues which had been the twice yearly style books were thrown into discard and shopping was done direct. The local stores found themselves confused by this new competition. They complained when their customers jumped into their cars and drove to Toronto to shop. But then they too went "abroad" and learned to meet the new competition. They learned new habits of buying and they learned the importance of the great goddess "Style."

What These Articles Tell

In a small group of articles, The Financial Post will present a pen picture of several typical Canadian communities. The articles will describe the local "Main Street" and discuss particularly the effect on the social and economic life of the advent of the chain stores and the local branches of the big department stores.

Other towns will follow: Peterborough and Belleville at least, and possibly more, if our readers find the articles interesting and valuable as case studies of Canadian community life under the impact of modern merchandising methods.

Wider Shopping Radius

Soon the highways that took the local people to Toronto were bringing more farmers to Lindsay from a steadily enlarging radius. Instead of complaining about the competition, Lindsay's merchants began to copy the big store methods, their advertising methods, the layout of their stores, their habit of hand-to-mouth buying which gave such impetus to stock and style turnover.

The task of conforming to the new pattern was made easier when the chain stores commenced to arrive on Main Street.

Came Home to Shop

These chains had a remarkable effect on the local railway trade. Railway employees, who enjoyed the pass privileges, made frequent crusades to Toronto for seasonal clothing and the cheaper foodstuffs which followed the introduction of the chain stores there about 1920. When the chains came to town and when the local began to affect their habits that pernicious out-of-town-buying of the railway people stopped.

We find merchandising in Lindsay today as a cross-section of a distribution system radically changed since 1914.

There has been a constant change and reshuffling in the town's business life these past twenty years. Most of it went quite unnoticed until the depression paralysed activity and caused men to reflect. Some of the old names are still there. Many of them are gone. Many of them would have passed anyway, perhaps more rapidly had those years been stagnant than they did in the face of relentless change.

What Has Happened

Since 1914 twenty-four food merchants have disappeared. Either they sold out to some of the sixteen new ones that have replaced them, or they closed out entirely. But there are fourteen of the old grocery stores still in existence. W. E. Baker, a grocer, grasping the trend of modern merchandising, expanded his business by opening two local shops. Two colleagues followed suit, modelling their small chains on the plan of the four large grocery chains now operating five shops on Kent Street.

Absentee ownership was actually not a new development for Lindsay. Prior to 1914 we find the Neill Shoe Store, a confectionery, a butcher shop and a music store,—the first three still there today—all admitting to headquarters elsewhere.

Many Old Names

There are yet 38 retail businesses in the town in addition to the grocers that were established before 1914. In some cases control has passed to the sons and grandsons as is illustrated by Beall and Sons, jewellers, who besides being the oldest business house in town includes a third generation in its management.

My check revealed also that there were three other pre-war jewellers still in business, four druggists, two fancy goods stores, two dry goods stores and three hardwares.

Many New Stores

Those have been joined by more than 40 comparatively recent independents who, like the food stores, have bought out the old, or taken advantage of an opening. A partial classification of the list shows a movement toward specialty shops over the past twenty years. There are three men's furnishing stores, four ladies' ready-to-wear shops, two boot and shoe stores, two dry-goods stores and two druggists among the new tenants of Main Street.

Added to that influx of business were of course, the chain operators with two shoe stores, a Woolworth 5, 10 and 15 cent store, (which incidentally replaced the local emporium of the same character,) a second general store, the Metropolitan, selling between five cents and a dollar and the food chains, such as Loblaws, A. and P., Dominion Stores, etc.

How Eaton's Came

Perhaps the greatest change in the retail trade came in the dry goods business. The largest department store was Dundas and Flavelle's owned and operated by an old Lindsay family. It may have been that the owners saw the handwriting on the wall; perhaps an older generation was growing weary of the chaos and struggle of change. In any event, when Toronto promoters formed the Canadian Department Stores, back in the boom days, and made attractive offers to department stores all over Ontario, Dundas and Flavelle's were quick to sell out.

That merger failed. It was bound to fail because it paid too high a price for the businesses it purchased and because it was run by promoters and not merchandising men. Hardly two years later, the T. Eaton Co., Toronto, bought the Canadian Department Stores at a bargain sale. So it happened that this town's chief department store is one of the Eaton chain.

Sees Some Benefit

A local men's furnishing merchant told me that his business had benefitted from the change. The town's shopping radius had been measurably increased by the advent of the Eaton name, which drew to him a clientele he had not been able to reach before.

As the chain stores reached Lindsay still another era of merchandising was opened up and a new energy filled the town. Kent Street began to take on a new dress. "You would never have known it was the same old town," a professional man told me. Nor were those changes limited to modern fronts and fresh paint. Indeed these were the last stages of the renovation.

Inside the shops every evidence of the old-time store has disappeared. The new models of efficient distribution have introduced a fresh and readily understandable sales psychology. They have thrust a psychological barrier between the storekeeper and his customer. At the same time they have torn down the counters which for so long had been a physical barrier between customer and stock. With those counters went the bond of friendly intimacy between owner and shopper.

These Modern Stores

Lindsay today shops from great rows of shelves or from those strategically arranged tables which steer the clientele past and close to merchandise prominently marked with price cards. The power of display and suggestion has replaced a lot of the hired help. The artistry of packing has co-operated to cut overhead.

Some of the independent merchants were quick to accept these efficiency methods and have survived by reason of them. Others have spurned such methods and retained the old policy of personal service. By concentration on a class trade and merchandise they have continued to exist.

Group Buying Plan

Group buying as a defensive weapon of the independents has been another intruder in the merchandising field. Strangely, my first contact with it was through a merchant who had tried it and dropped it. But the presence in town of a branch warehouse of a wholesale firm that sponsors two of the independent chains is an assurance that there are many small men who are ready to sacrifice their identity if they can retain their independence.

Chance led me into an independent shop back of the main street. The owner may be an oddity in this day of mass buying and group distribution. In any event he can be taken as a rebuttal to any hastily adopted conclusions that the independent is doomed. This man had been a member of a voluntary chain. He bought $200 worth of shares, hung up the chain sign, and was to have full privileges of large scale buying, newspaper advertising and the repute the press ascribed to a chain name.

He tried it for two years. He found mass buying not altogether compatible with his business. The specials, more frequently than not, were unsuited to his clientele and he was rapidly accumulating a range of dead stock. He found no indication of the group affiliation checking the decline of business that had set in in 1928. He quit, took down the big sign, and became himself again. Today he confesses to being a happier more prosperous merchant. That, of course, is an individual case.

But He Learned Something

What that man did gain perhaps, was a more intimate knowledge of a new merchandise system. He told me that he had found by actual test that it was possible for him to compete within a very few cents on a large, representative grocery order with any chain store in town. And he figured that he could give service worth many times that few cents. He did not deny that the loss leaders sales he had shared while a member of the "chain gang" had attracted business. But it was also possible, he said, for the small man, knowing his customers and in touch with his competition, to offer similar baits to the public.

There was another important, though perhaps indirect contribution by the chains. They brought Lindsay home to shop and as has been noted, expanded the potential shopping area and increased the movement toward specialized lines.

Community Spirit

Whether or not the townspeople have put more energy into their community work would be hard to determine. Facts which suggest that they have are to be found in the presence of nine new industries, six of them branch plants. True, seven industries have closed down over the same period of time but among these must be numbered such obsolete producers as a stump pulling machine manufacturer, a wagon builder and a brewery which, of course, was legislated out of business.

That the chains have not taken any major part in this and other forms of community work is undeniably true. One well founded complaint against the absentee ownership store is that their managers and imported staff are not the useful community leaders the independent merchants of the town were twenty years ago. The grocery chains, it is charged, have overlooked the fact, in the heat of their mushroom growth, that they might have a contribution to make to Lindsay besides dollars and cents savings on purchases. They haven't given anything of that inestimable quality, personal effort, that is essential to the expansion of the community whose progress they, as much as the local merchants, must and do rely on.

Not Community Leaders

This may be explained to some extent by the simple fact that every man is not born a Rotarian or to be president of a chamber of commerce. But Lindsay people hold the contention that when you concentrate the leadership of a business in the head office in a big city that leadership is not available for community work.

It is, of course, debatable as to who is the greater loser, the town which does without the service or the firm whose annual profit might reasonably have been increased by the employment of a manager, popular and active in the community life. The $795,860, estimated to be the chain stores' total percentage of Lindsay's aggregate net sales totalling $3,979,300 in 1930, might have been considerably larger had those stores been served by men with community personalities.

Fewer People in Debt

No true picture of Lindsay and the effect on it of recent changes could be had without a glance inside the homes of the inhabitants. One point was vividly brought home to me in several conversations. People who had spent the most of their lives in debt to the local storekeeper had gained a new freedom in today's cash retailing.

It was evident that many of the changes in the life of this town could be traced to the young people who went to the big city universities. Aided and abetted by the talking picture and the radio a new wave of sophistication has settled upon the town. Not all of the young men and women who went away to college hankered to spend their lives in the big cities. Many have returned, entered Dad's business or joined professions, and brought their new theories with them, or such as they could keep under the cold light of practical experience.

This general broadening of an influential generation has made the town more susceptible to the material changes of modern times. These young people demand more of their town and they put more effort into the getting.

Live Daily Paper

Lindsay is unquestionably more self-sufficient today than it was when a rutted dirt road separated opposite banks of Kent Street. Its interests have crossed those wide barriers of farm lands that separated it from other communities for generations.

The importance of those new interests to Lindsay is clearly mirrored in the local daily paper. Lindsay has an extravagant newspaper service for a town of 7,000. The daily has two editions, a morning and evening circulating to approximately 3,000 readers. This represents more than the miracles of telegraphy in advancing communication. It is to a considerable extent the result of the entrance of advertising into the specialized ranks of news, and for this development the new merchants from out of town have been largely responsible.

The Kiwanis club and kindred organizations cannot be overlooked. They have carried men, literally and figuratively, farther from home, increased their efficiency and broadened their outlook through vocational programmes and by inter-club and district meetings.

Who is to assess the part of the news reel with its marching cavalcade of celebrities and demagogues on a town once out of touch?

The world has no secrets from Lindsay.

Awakened Community

These things have awakened the community and it strives not unsuccessfully in emulation. It may seethe with unrest, particularly among its youth. But money is no longer a criterion of popularity. And one thing is certain—there has come a greater intimacy between town and city, between Lindsay and the world.

All this has had bearing on Main Street. If Kent Street, assisted by science and its own initiative, has destroyed the four-corners-store and become a functional link in a gigantic distribution system, it is difficult to say how much of this change is due to forces over which the town had no control and how much to impulses born within. But I found no one who would tell me that after twenty years he was not living in a better town.

Insurance For Buyer and Seller

ACTUARY URGES ENGLISH GROUP FOR CONGRESS

Results of International Meet at Rome Are Viewed

CANADA'S PART

Much Valuable Work Accomplished by Important Gathering — Next Meet at Paris

By ARTHUR PEDOE,
Actuary for Canada, Prudential Assurance Co. of England

Very pleasant recollections are being carried away by those attending the 10th Congress in Rome this last month. The Italian Government, the city of Rome and the Italian insurance companies, all spared no effort or expense to make the Congress a success. This was the third congress held since the War, the others being at London (1927), Stockholm (1930). The next congress will be held in Paris in 1937.

The Congress was opened by Mussolini in the Julius Caesar Hall at the ancient Capitol within a stone's-throw of the ruins where Caesar was assassinated. Mussolini spoke briefly at what was a very impressive ceremony.

Welcomed by Pope

Another address of welcome was given by Pope Pius XI who gave a public audience at the Vatican to the members attending the Congress. His Holiness addressed the members at considerable length in regard to their work. His remarks had the appearance of an extempore address and appeared astonishing at the time but it appears the present Pope is very much interested in social welfare with their associated insurance schemes and would thus be fully conversant with the part played by actuaries in this work.

Wide Range of Subjects

All told, 155 papers and reports were presented to the Congress and these together with the discussions, will occupy a two-foot book-shelf. How varied the interests of actuaries are, may be noted by examining the papers presented at this Congress.

These range from investment research to public health service, apart from the nine specific subjects chosen for discussion at this Congress. Even the official subjects range from "Unemployment Insurance" and "Total Disability Benefits" and "Group Insurance" to "Actuarial Notation."

It is interesting to observe the different methods by which the actuaries of various countries attack the same problem. The Continental actuary appears to be primarily a mathematician whereas the English-speaking actuaries, apart from their mathematical interests, show a decided interest in the administrative side of their business. In fact, in Canada and Great Britain, the administration of the life insurance business is almost entirely in the hands of men with actuarial training.

Canadians Contribute

Although there was not a large attendance of actuaries from Canada, yet Canadian actuaries made a substantial contribution to the proceedings. Eleven papers on as many different subjects were contributed by Canadian actuaries and this effort to give the Canadian viewpoint on each of the various subjects under discussion deserves special praise.

An innovation at this Congress was the issue of a printed review of each of the nine official subjects by an expert, reviewing the papers presented in each section. As the papers are presented in four different languages these summaries were of great value in giving a bird's-eye view of the enormous amount of material submitted to the Congress.

Solving Language Problem

With technical actuarial subjects the translators' task is not an easy one and it was impressive to see these men—most of whom are qualified actuaries—read out an abstract of a speaker's remarks in another language immediately he had stopped speaking. A well-known character at the translators' table is Dr. Berlina, an actuary, who managed all the translations from French, German and Italian into English. He has acted in a similar capacity at former Congresses. On one occasion a speaker asked permission to address the meeting in the "language of the country" and began speaking in Latin but even so Dr. Berlina, without hesitation, proceeded to give the delegates a summary of the remarks made immediately the speaker sat down.

The addition of a fourth language, namely, Italian, to the three official languages with which the proceedings of former Congresses have been transacted, made the discussions rather tedious. English-speaking actuaries are at a disadvantage on account of the language difficulty for without a doubt a great deal of the value of the discussion is lost by the translation of a speaker's remarks.

English-speaking Group Needed

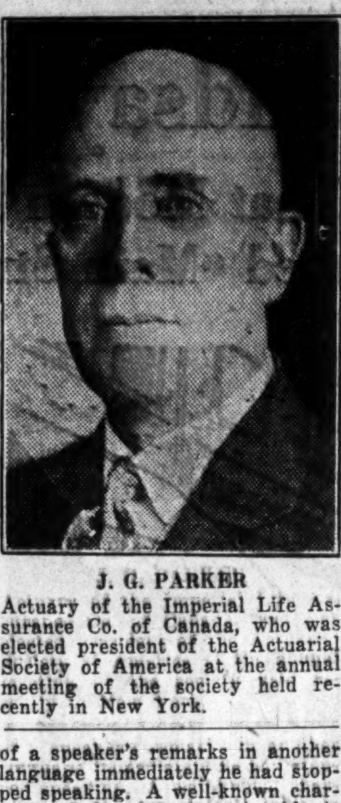
A great deal of value is obtained by an actuary from Canada in making personal contacts with English-speaking actuaries of other countries and one wonders whether it would not be possible to have Round Table Conferences of the English-speaking actuaries as part of the proceedings at these Congresses.

The interests of Continental actuaries are more and more inclined towards government insurance problems and their inclination is mainly towards the theoretical or mathematical aspect of the problems. The English-speaking actuaries of the world now comprise the various parts of the Empire as well as the United States and a great deal of advantage could be obtained by discussing their mutual problems and taking an interest in developments in their various countries. I believe that if a Congress of this nature were held or could be made a part of the existing International Congress that a great deal more interest and a larger personal attendance would be obtained from Canada and the United States.

It is impossible to deal here with the one hundred papers covering the nine main subjects for discussion or the fifty-five reports presented for record. There is enough material here to occupy actuaries for the next three years until the Congress meets again in Paris and during this period the study of these papers will influence actuaries' opinion throughout the world and the main purpose of the Congress be achieved.

The entertainments provided for members included a reception by the Governor of Rome; an impressive banquet and ball; a combined philharmonic and vocal concert of the best talent which Italy could produce. There were excursions to Ostia, the two-thousand-year old ruins of the seaport of Imperial Rome, which, at that time, had a population of a million souls; also to the Villa D'Este considered the most beautiful in Europe and in which neighborhood the Roman Emperors had their summer villas.

Honored in U. S. A.



J. G. PARKER
Actuary of the Imperial Life Assurance Co. of Canada, who was elected president of the Actuarial Society of America at the annual meeting of the society held recently in New York.

FOREST FIRE LOSS OVER TEN YEARS IS $100 MILLION

Carelessness Chief Cause of This Immense Loss

Almost $100,000,000 has been lost in Canada during the past decade through forest fires. Of this total nearly $60 millions represents the stumpage value of timber burned, $20 millions is added for the value of young growth burned, $6 millions for other property and $7.5 millions for cost of actual fire-fighting.

It should be noted that the total figure does not include regular charges for operating the forest protection services; it does not include the losses entailed in partial or total cessation of forest industry in the districts where losses were suffered, nor does it include the inevitable potential loss in wage values and production values occasioned by the fires.

Number Increased

Although the number of fires in 1927 and 1928 were considerably smaller than in the previous year, the general trend appears to be slightly upward, the average for the 1923-27 period being 5,320 as compared with a 6,200 average in the following five years.

The area burned shows large variations, exceeding 6 million acres in both 1923 and 1929 and being less than half a million acres in 1927. In the same way, total losses vary, the immense sum of $46 millions being debited to forest fires in 1923 and only $1,329,000 in 1928. The exceptional figure in 1923 is accounted for both by the extent of the area burned and the fact that the fires covered extensive accessible areas in eastern Canada where timber values are high.

Ten-year Losses

Forest fire losses during the past ten years are shown in the following table:

Forest Fire Losses in Canada

	No. of Fires No.	Area Burned acres	Stumpage Value $	Total Losses $
1923	6,189	6,196,817	32,523,375	46,696,772
1924	5,624	1,984,786	2,914,582	5,568,278
1925	5,490	1,913,066	4,826,565	7,604,304
1926	5,690	1,824,015	4,208,456	7,467,343
1927	3,605	471,878	881,492	1,396,055
1928	4,261	1,345,371	417,883	1,328,950
1929	6,685	6,029,665	2,379,582	6,210,754
1930	6,805	2,670,249	4,452,390	7,826,787
1931	6,954	2,093,869	1,715,182	4,448,120
1932	6,295	2,463,611	5,056,983	7,830,070
10-yr. total	57,598	26,993,327	59,326,490	96,377,433

Dry Weather Blamed

The increase in the number of fires in the years since 1929 will be noted from the above table. For this condition, the weather is most generally blamed, lack of winter and spring precipitation resulting in highly inflammable conditions. One result of the large area burned in 1929, however, was an increase in the amounts appropriated throughout Canada for forest protection. Greater ability to restrict fire areas resulted in the following years.

In considering the causes underlying forest destruction by fire, there are two sets of risks to which the forests of Canada are subjected, namely, natural risk and artificial risk. The first deals with the natural causes, chief of which is lightning; the second refers to those risks created by human agencies and comprises the main source of fires. Figures for number of fires by causes are shown below:

Forest Fires By Causes

	1923	1928	1932	10-yr. Av. % of total %
Camp-fires	869	814	1,302	18.7
Smokers	289	500	809	10.5
Settlers	1,243	728	1,385	16.0
Railways	864	752	354	13.6
Lightning	540	485	651	14.2
Industrial operations	334	170	91	3.5
Incendiary	89	230	746	5.8
Public works	31	35	73	1.0
Unclassified	310	227	243	4.7
Unknown	1,520	320	641	12.0
	6,189	4,261	6,295	100.0

Great Reduction Possible

The extent of the human hazard in firest fires is best understood by a comparison which shows that while 13.5 per cent of fires were started by lightning and other natural causes, 86.5 per cent were attributable to human agencies. The reduction in losses which could be accomplished through complete co-operation of forest users is apparent.

Two of the most interesting figures shown in the table of forest fires by causes are those for fires started by industrial operations and by incendiarism. The former has shown a considerable reduction during the past ten years, probably due to better safety methods and cutting of timber close to industrial plants. The increase in the latter may be partially accounted for by the reduction in the number of fires for which the cause remained unclassified or unknown in the early years though it also may reflect the unsettled labor conditions which have characterized the past four years.

New Mutual Company

Act to incorporate Ancient Foresters' Mutual Life Insurance Co. was passed by the House of Commons on May 29.

LIVERPOOL & L. & G. REPORTS PROGRESS

Annual Statement for 1933 Shows Larger Underwriting Profits

Excellent underwriting profits in all departments with the exception of accident and miscellaneous are reported in the 1933 annual report of the Liverpool & London & Globe Insurance Co. In the accident group, the loss is smaller than in 1932. Underwriting surplus after making provision for all outstanding liabilities, and reserves for unexpired risks amounted to $1,881,890 as against $814,400 at the end of 1932.

Fire Department — Premiums amounted to $19,656,870 and the losses to $8,894,425. After payment of expenses and providing the reserves necessary for unexpired risks, a balance of $1,852,225 is transferred to profit and loss account. The fire funds now amount to $16,737,547.

Accident and Miscellaneous — Premium income amounted to $25,177,156 and the losses to $15,084,005. After payment of expenses and providing the reserves necessary for unexpired risks, a loss of $288,480 (as against a loss of $614,950 in 1932) is transferred to profit and loss account. Funds now amount to $30,218,111.

Marine—Premium income amounted to $1,426,440 and after payment of losses and making full provision for all outstandings and reserves for unexpired risks $133,140 is transferred to profit and loss account. The funds of this department now amount to $2,070,576.

Life — 3,592 policies were issued for new assurances which (less sums reassured) amount to the record figure of $10,519,030 an increase of $614,335 over 1932. The net premium income was $4,243,880 while claims amounted to $2,888,094, of which $1,240,305 was in respect of maturing endowments. As a result of the quinquennial valuation as at December 31, 1933, the reversionary bonus on whole-life policies was raised to 45/- ($11) and that on endowments maintained at 40/- ($10) per cent per annum. Life funds now amount to $51,579,236, an increase of $1,810,690 and the annuity fund to $3,706,587.

Profit & Loss Account — Amount transferred from the underwriting accounts (including life) is $1,881,880 (an increase of $1,067,485 against 1932 figures). $350,000 is transferred to the staff pension fund. The amount carried forward is $2,729,355 as against $2,671,985 in 1932.

The directors recommend a final dividend of 13s 6d per share, less tax, making a total dividend for the year of 27s less tax, being the same as for 1932.

INSURANCE PLAN TO AID U. OF M.

$10,000,000 Campaign Devised to Aid Finances of Quebec College

A far-reaching insurance plan to solve the monetary worries of the University of Montreal by means of life insurance endowments to a total of $10,000,000 has been devised at Montreal. The scheme is said to have been approved by the superintendent of insurance for Quebec. G. H. Beaudry is manager of the campaign which is being planned on a province-wide scale.

The plan centres around the idea of selling endowment insurance policies. Premiums will be payable annually for fifteen years. At the end of a stipulated period the insured will receive the full value of the policy. If he dies in the meantime the full value of the policy will be paid to the estate.

After the payment of each premium, the life insurance companies writing the insurance will pay a set amount to the university and if the objective of $10,000,000 insurance is reached the University of Montreal will receive $300,000 annually, for ten years, to meet the difference between revenue and operating expenses as none of the money so obtained will be used for capital purposes.

The plan will be under the direction of the committee, the University of Montreal Endowment Fund, Inc., but all monies paid to the university will be administered by the board of trustees, who would serve without remuneration, composed of outstanding French and English business men.

This whole plan would be spread over the province and committees of graduates have been formed in Quebec, Sherbrooke, Three Rivers, St. Hyacinthe, Valleyfield and Hull, while a direct-by-mail campaign among graduates through the world will be conducted simultaneously.

B. C. Superannuation Funds Made Actuarially Sound

British Columbia's superannuation act is being overhauled by S. H. Pipe, of S. H. Pipe & Co., Toronto, in order to place it on an actuarial basis. Mr. Pipe has already submitted an interim report and is now engaged on a complete report of the situation.

Attention to the unsound position of the superannuation funds of the B. C. government were drawn in the last report of the superannuation commissioner. It is stated that trouble began by the increase in the number of persons superannuated during the past four years in order that younger men might be retained. The funds were never administered on an actuarial basis, however.

Mr. Pipe will also look into British Columbia's situation as far as the question of state health insurance is concerned.

Can. Insurance Institute Offers Courses by Mail

The Canadian Institute of Insurance, Inc., Winnipeg, has decided to offer complete correspondence courses in fire and casualty insurance through a series of printed lectures.

Information regarding these courses can be obtained from T. E. D. Boys, secretary of the Institute, Winnipeg.

Retiring Bond Issues By Endowment Insurance

Method Useful Where One Man is Driving Force — Not Suitable for Public Utilities — Advantages and Disadvantages

By R. M. HAULTAIN

Bond issues may be protected and retired advantageously with endowment policies under certain conditions. Generally speaking, the conditions are as follows:

1. Where the bonds are those of a private company or close corporation where the death or ill health of one key man might cause complications;

2. Where the bonds are not widely distributed, and market maintenance is of secondary importance to immediate retirement of the bonds if the key man dies before maturity of the issue.

With these reservations in mind, let us examine the procedure, the probabilities, and the results.

Example Case

The Excellent Manufacturing Company is controlled by the estate of its late founder, Mr. Gray. The pistons of the business are the general manager, Mr. White, and the secretary-treasurer, Mr. Black. They supply the driving power. Each holds a small interest. They are not satisfied with the prospect of working indefinitely for Gray's estate.

They decide to make the estate a proposal to buy the business. The widow is advised to sell it on the principle that a widow should be independent of dividend declarations in a private company which must either go ahead or slide back. She realizes that the firm in competitive business may easily be drained to the danger point if dividends are declared on compassionate grounds solely because she and her children are dependent on her interest in the firm, when conditions demand that dividends should be passed.

Endowment Retires Bonds

One hundred thousand dollars of 20-year 7 per cent first mortgage bonds are given the widow in part payment for the estate stock. Twenty-year endowment policies are taken out on the lives of the general manager and the secretary-treasurer for an amount sufficient to retire the bonds, $75,000 on White, and $25,000 on Black.

The lawyer includes in his arrangements the appointment of a trustee for the bondholders in the usual manner. The endowment policies are made payable to the trustee, and a definite annual sinking fund appropriation is agreed upon. It should be at least sufficient to meet the endowment premium deposits.

White and Black are then in a position to carry on the business without having to waste time explaining every move to those interested in, but not familiar with, the business. The widow has a definite, pre-arranged income of $7,000 a year from the bond interest, which is protected as well as possible under the circumstances. She prefers this arrangement to the uncertainty of a fluctuating income from stock dividends. The main element of strength from her point of view is that the two key men in the business have a real incentive, caused by their purchase of the stock, to put their best effort into the business for the long pull.

First Alternative

Five years pass and an accident happens. White, the general manager, loses his eye-sight in a motor car smash. He is by this time very much the master mind of the business.

The situation is saved for the widow, and the sinking fund expense for White's $75,000 endowment is eliminated, by an unobtrusive clause in the policy which is there because the life underwriter knew his business. The clause is to the effect that if White becomes totally disabled through ill health or accident, the life insurance company assumes the premium obligation and continues to build up the policy. The widow is now sure of the $75,000 at maturity or at White's death, whichever occurs first, even if the loss of White's services means that the business goes down hill to bankruptcy. The life insurance company is committed.

Second Alternative

Let us assume that in the above case no accident had happened, but that a severe depression is encountered in the eighth year of the life of the bonds and endowment policies. White and Black might have to put it strongly to the bondholders' trustee that it would be impossible to continue the endowment premium deposits during the depression. The trustee would find, on examination of the policies, that the cash values would keep the endowments in force automatically, even if the depression lasted for six or seven years. If this default is a necessity the slack could be taken up as conditions improve. If advisable, money could be obtained on the policies to buy in bonds. The necessary elasticity therefore exists.

Third Alternative

Let us assume in the same case that either White or Black dies during the twenty year period. If White, the general manager, dies, $75,000 of bonds are retired, and the bond interest as well as the sinking fund expense is eliminated. If Black, the secretary-treasurer, dies, these obligations are lifted on $25,000 of the bonds.

Fourth Alternative

Assuming that both men live to see the bond issue retired at the end of twenty years with the money from the matured endowments, we find that the endowment method was more expensive than the method of buying in bonds each year. This is so, largely because a high interest rate was paid on the full bond issue right through to maturity. If bonds had been bought in each year, the interest would have been a constantly decreasing expense item.

In these cases, however, no one can foresee at the beginning what conditions death or disability may bring about.

The alternatives outlined above show some of the factors that should be considered before a decision is made on the sinking fund method to be employed. Factors vary with each case.

Unsuitable For Large Issues

Bond men and bondholders trustees consulted have very good reasons why the endowment method is rarely, if ever, applicable to large corporations where the stock is widely held, and where there are trained understudies ready to step into the shoes of the key men. The maintenance of a market for the bonds is usually desirable where the bonds are widely held, and is accomplished by making available the sinking fund money each year to buy in a certain number of bonds.

The points enumerated above show the strength of the endowment method for private companies, and indicate why private companies are well advised to look into it with their life insurance underwriter.

This is the twenty-fifth and last article of the Business Insurance series written for The Financial Post by R. M. Haultain. These articles, plus added material, will be published shortly by The Financial Post in book form.

Business Insurance Articles Widely Read

From all over Canada has come an extraordinary demand for reprints of the articles on business insurance which have been appearing in The Post in recent weeks. This series, to the best of our knowledge, is the first complete Canadian treatment of the subject.

Reprint orders now exceed 11,000 on each article.

This is article 25 of the series.

Reprints, five cents per article, postpaid. Special price on quantity orders. Send $1.25 for the complete series of 25 to be sent at once postpaid.

THE FINANCIAL POST
481 University Ave.,
Toronto

Fire Losses Higher Ontario Report Shows

Ontario fire losses were $874,000 in April of which $765,025 was covered by insurance, according to the report of the Ontario Fire Marshal. A year ago, losses totalled $732,514 while there were 1,395 fires reported as compared with 1,294 in April this year.

Both heavier losses and a greater number of fires were reported in the first four months of 1934 as compared with the same period of 1933, the increases taking place in dwellings and stores. Losses in barns were fewer in number and reported less loss while there was a reduced loss from a slightly greater number of factory fires.

Large fires in April included: $97,406 loss at the Way-Sagless Mattress Co.'s Toronto factory; $46,000 loss, Trinity Church, Barrie; $47,086 loss at Rob Roy Mills, Durham; $44,325 loss at Woods Flour Mill, Ingersoll.

Int. Paper Co. Continues Joint Stock Insurance

International Paper Co. has continued its large fire insurance schedule on its properties in the United States and Canada with stock companies through the office of Russell Fairchild and Ellis of Boston, according to the New York Journal of Commerce.

This was the schedule secured by the stock companies from the factory mutuals in 1931, and it is understood to be one of the largest industrial fire insurance lines controlled in this country.

Is your credit strong enough to withstand the shock of your partner's death?

In too many cases the death of a key-man in a business means the shutting down of credit by banks, and supply firms. When credit is needed most, it is not to be had, often resulting in collapse of the business.

Your Company's future success can be protected by *Business Insurance* on the lives of its executives.

Consult your Life Insurance Adviser.

This Company acts as Trustee under Business Insurance Trust Agreements.

CHARTERED TRUST & EXECUTOR COMPANY
34 King St. West, Toronto. 132 St. James St. West, Montreal.
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WRITING FIRE AND AUTOMOBILE INSURANCE AT COST ASSETS $4,616,449.70
BRANCH OFFICES: Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, St. John, Halifax
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30%

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
HEAD OFFICE—WAWANESA, MAN.
Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS AND DENTISTS LIABILITY PLATE GLASS
Insurance in force .... over $243,000,000
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IF YOUR BUSINESS PARTNER DIED TODAY
WHAT WOULD YOUR POSITION BE?
If we are executors and trustees under his will, it is our duty to make sure that his estate will provide an income for his family, through good times and bad.
If you were unable to buy his business interest, we would probably be forced to sell it to the highest bidder, who might prove uncongenial to you.
Such a sale might conceivably affect your whole future, particularly if the controlling interest of your business were involved.
ON THE OTHER HAND
If you and your partner had a reciprocal agreement of sale and purchase between you, financed by life insurance, his estate would come under our administration in the form of cash and you would succeed to complete control of the business, unhampered by anyone.
This is the fundamental reason why we suggest that you discuss the business life insurance trust agreement with your life underwriter.
YOUR PROTECTION
MONTREAL TRUST COMPANY
61 YONGE ST., TORONTO
HEAD OFFICE
511 PLACE d'ARMES, MONTREAL
PAID-UP CAPITAL AND RESERVE $4,500,000.

THE MONARCH LIFE ASSURANCE COMPANY
Established in 1906
Up-To-Date Plans — Stronger Than Ever
A PROGRESSIVE CANADIAN COMPANY
Branch Offices From Coast to Coast

1884 - 1934
SINCE 1884..
This Company has consistently striven to provide its growing numbers of policy holders with adequate protection at minimum rates, maintaining through the years an unbroken record for fair dealing and quick settlement in case of claim.
The PORTAGE LA PRAIRIE Mutual Insurance Company
Portage la Prairie, Man.
TORONTO VANCOUVER EDMONTON MONTREAL

If you are the sole owner of a retail store, a manufacturing concern or other business consider this plan which will enable your right hand men to pay cash for your business should you die and which will encourage them to increased effort.

TO STOCKHOLDERS IN A CLOSE CORPORATION
TO PARTNERS IN A PARTNERSHIP
• You have two investments in your business. Your capital and yourself. You realize that your retirement will some time be forced by death. What will then become of your capital investment? • While you live you want to keep your capital in this business and get a greater interest if you can. If you die your capital should be withdrawn because a business man's investments are not a widow's investments. • A BUSINESS INSURANCE TRUST solves your problem because at your death it provides your family with cash equal to your interest in the business, and in addition allows your associates to take over your interest without the hazards of outside interference. • A Business Insurance Trust will also enhance confidence, in credit circles, in the stability of your business.
The Royal Trust Company acts as Trustee under Business Insurance Trust Agreements and invites you to write or call for further particulars.

THE ROYAL TRUST COMPANY
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ASSETS UNDER ADMINISTRATION EXCEED $657,000,000

Bank Chat on Current Topics

Bank Nationalization

NATIONALIZATION of British banks will soon be a primary political issue in Great Britain, says the Whaley-Eaton Service of Washington. With political influence dominating banking in many countries, Canada is not alone in having nationalization urged. The only comfort in this, however, is the negative one that misery loves company.

Whaley-Eaton says many people consider political control of British banking as a necessary preliminary to social and economic reform. The movement is confined to outlying districts, it is said, but is gaining strength.

* * *

Misreported Banker

A BANK manager recently told The Financial Post of his experience with the daily press when he acted as a witness in a recent court case.

The court was enquiring into transactions of an individual who was being sued in connection with allegedly fraudulent activities. The bank manager was asked to testify as to how the defendant carried on his banking.

"Would not the authority of head office be necessary in making the large loans that this man carried?" the banker was asked.

The banker explained that head office was consulted when the line of credit was established. But after it was approved he handled the administration of the various loans and repayments without further reference to the higher powers.

The press reported the testimony. A headline appeared, to the following effect:

Bank Manager Administers Loans Without Reference to Head Office

This was stretching it a bit, to put it mildly. The writer of the headline may not have intended to convey the impression that the manager did not consult head office at all. But that was what he did. The banker took it philosophically.

* * *

By the Way

THIS is merely by the way. It has nothing to do with banking, except that, despite the popular impression, bankers enjoy a smile.

A staid daily newspaper reported the burning of an old scow on a certain city water front. It was a small item, and was jammed into the paper near the death notices. In fact, a line from the story about the scow got mixed into one obituary comment, which then read about as follows:

"——— ———, aged 83 years, one of the oldest residents of ——— died suddenly on Sunday. and then the old hulk descended in flames."

Yes, it's a true story.

* * *

Banker Honored

W. A. FISHER, who was manager of The Dominion Bank at Saint John, N.B., for the last 12 years, and who was recently appointed manager at Montreal, was the guest of honor at a complimentary dinner shortly after his new appointment was announced.

The Riverside Golf and Country Club at Saint John was the scene of the gathering. Appropriately, Mr. Fisher was presented with a new set of golf clubs and a bag to hold them.

Cyril Waite, formerly manager Belleville branch, and who succeeds Mr. Fisher, was one of the speakers. W. O. H. James and T. C. Connochie, of the bank's inspection staff, who were in Saint John supervising the transfer, were also on hand. Mr. Fisher expressed his regret at leaving Saint John, and Mr. Waite his pleasure at having been sent to the New Brunswick city. Mr. Fisher also paid tribute to his competitor bankers for playing the game cleanly.

Representatives were present from business houses, financial concerns, and the Rotary Club. It all shows the prominent part the bank manager takes in the life of the community he serves.

News of Bank Men

F. G. Depew retired from the managership of the Sarnia branch of The Royal Bank of Canada June 1, after filling this post for 12 years. Mr. Depew will live at Lake Huron Beach, Sarnia. He joined the staff of the Traders' Bank in 1898, and The Royal Bank when the Traders' was absorbed in 1912.

H. S. Y. Thurstans succeeded Mr. Depew as manager at Sarnia. Mr. Thurstans was born in London, England, and joined The Royal Bank in 1912. He was overseas for 3½ years of the war with the 45th Battery, and is a member of the hole-in-one club, if our memory serves us right.

Staff Changes

Bank of Montreal announces the following staff changes:

A. FRANKLIN, formerly manager at Daysland, Alta., to be manager at Rimbey, Alta.

R. SIMONSEN, formerly manager at Rimbey, Alta., to be manager at Daysland, Alta.

The Bank of Nova Scotia announces the following staff changes:

R. P. WEBB to be manager at Queen and Lansdowne branch, Toronto.

E. BARKER to be assistant manager at Queen and Church branch, Toronto.

W. A. MEYER to be assistant manager of the investment department, Toronto.

The Bank of Toronto announces the following staff changes:

A. J. LUNN, formerly accountant at Ottawa, Ont., to be manager at Yonge and Bedford Park branch, Toronto, in succession to K. S. HERALD.

Established 1869

Strength• Stability•

Assurances in Force (Dec. 31, 1933) $518,521,336.00
Assets $138,912,508.00
Surplus Funds and Contingency Reserves $11,917,520.04

A Purely Mutual Company

Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.

THE MUTUAL LIFE Assurance Company OF CANADA
HEAD OFFICE WATERLOO, ONT.

Current Events in Banking World

NATIONALE STOCK LARGELY OWNED QUEBEC PROVINCE

Prominent French-Canadians Appear on List of Shareholders

With but one or two exceptions larger shareholders in the Banque Canadienne Nationale hail from the province of Quebec with the bulk of the large holders located in Montreal, headquarters of the institution, or Quebec city. The list embraces names of French Canadians, prominent in the financial and political life of Eastern Canada today, but also their immediate ancestors because a considerable proportion of the 70,000 shares is now held by estates.

The largest holder is the General Trust Co. of Montreal, with 5,246 and about a thousand more in trust. Seminaries are prominent with that of Saint Sulpice, Montreal, holding 1,044 and a similar institution at Quebec the owner of 435.

Directors Holdings

Officers and directors of the bank possess a substantial number of shares, the president, Hon. J. M. Wilson credited with 811, Sir J. George Garneau, vice-president, 159, Beaudry Leman, vice-president and general manager 300, A. N. Drolet, 137, Senator D. O. L'Esperance 584, J. H. Fortier 140, Armand Chaput 200, Senator C. P. Beaubien 100, L. G. Ryan, 147, C. R. Laurendeau, K.C. 136, and C. E. Gravel 100.

The list of holders of 100 or more of the bank's shares is as follows:

Quebec Registry

Montreal City and District Bank	319
P. R. Barie, Warwick	131
L. E. Beaulieu, Montreal	100
L. G. Beaubien, Montreal	786
L. G. Beaubien, Montreal	100
Estate Hon. Lewis Beaubien, Montreal	260
Senator C. P. Beaubien, Montreal	100
Beaubien Ltd., Montreal	100
Estate F. L. Beique, Montreal	100
F. L. Beique, Inc., Montreal	716
J. E. Bernier, Levis	105
A. W. Bonner, Montreal	100
Dr. E. Bourque, Ottawa	100
Estate Mrs. M. J. Buchana, Montreal	128
Estate Charles Brochu, Quebec City	524
Caisse d'Economie Notre Dame de Quebec	328
Dr. A. Champagne, Montreal	325
Mrs. A. Champagne, Montreal	119
Alphonse Champagne, Montreal	235
Armand Chaput, Montreal	200
Mrs. Sophie M. Charlebois, Montreal	127
Quebec City Corporation	159
Joseph Daoust, Montreal	152
Arthur Decary, Montreal	400
C. A. R. Desjardins, Kamouraska	200
Alphonse Desrochers, Sorel	176
E. M. Dossin, Three Rivers	200
Mrs. O. E. Dorais, Montreal	100
J. T. Donohue, Quebec City	159
A. N. Drolet, Quebec City	137
Camille Ducharme, Joliette	165
Miss B. Duckett, Montreal	101
Oscar Dufresne, Montreal	127
J. F. S. Dugal, Quebec City	201
L. H. Dupre, Montreal	324
L. J. A. Dupuis, L'Islet	125
Estate Mrs. E. S. Ethier, Sorel	135
J. O. Fagnan, Sorel	127
Z. C. R. Fontaine, Montreal	254
J. H. Fortier, Quebec City	125
N. Fortier, Quebec City	140
Estate E. Galibert, Montreal	127
Sir Jean G. Garneau, Quebec City	159
A. Gelinas, Montreal	305
J. L. Gelinas, Montreal	100
Estate Mrs. A. L. Germain, Montreal	148
Miss H. Gill, Montreal	126
L. P. Gill, Montreal	310
L. P. Gouin, Three Rivers	200
C. E. Gravel, Montreal	100
Henri Groulx, Montreal	100
Hon. E. Guerin, Montreal	160
Pierre Guidazio, Montreal	100
C. B. Howard, Sherbrooke	220
Albert Hudon, Montreal	125
Joseph Hurtubise, Montreal	120
Mrs. L. B. Jodoin, Montreal	126
Mrs. J. E. Labrecque, Montreal	150
J. O. Labrecque, Montreal	162
J. H. Lamarche, Montreal	101
H. Lapointe, Montreal	240
M. Langlois, Montreal	200
Mrs. J. A. Lane, Montreal	102
A. A. Larocque, Montreal	302
C. R. Laurendeau, Montreal	136
Estate J. P. LeBel, Montreal	189
Beaudry Leman, Montreal	300
Estate P. B. Leman, Montreal	100
Octave Lemay, Montreal	150
Estate Elie Lemire, L'Assomption	100
P. C. Lemoine, Sorel	120
Senator D. O. L'Esperance, Quebec City	584
H. A. Letourneau, Montreal	254
Estate J. E. Livernois, Quebec City	255
G. Marquis, Batiscan	100
J. J. Melchers, Montreal	175
Montreal Trust Co., in trust, Montreal	127
Mrs. A. D. Morris, Outlook, Sask.	140
Estate Alfred Normandin, Montreal	225
Estate Hon. Edouard Ouellette, Montreal	100
Etienne Paradis, Quebec City	406
J. A. Perras, Montreal	195
A. C. R. Perrault, Montreal	200
Hon. G. Perrault, Montreal	130
Hon. J. E. Perrault, Arthabaska	125
Estate J. L. Perron, Montreal	140
Estate John Pratt, Montreal	141
Estate Hector Prevost, Montreal	140
Estate James Price, Montreal	255
Estate A. Prud'homme, Montreal	169
Hon. H. B. Rainville, Montreal	100
Donat Raymond, Ltd., Montreal	100
A. P. Rheaume, Montreal	100
P. V. Rougier, Montreal	127
S. J. B. Rolland, Montreal	110
Estate Arthur Roy, Montreal	628
L. G. Ryan, Montreal	147
Mrs. L. G. Ryan, Montreal	129
Alfred St. Cyr, Montreal	203
T. A. St. Germain, St. Hyacinthe	254
St. Lawrence Brick Co. Ltd., Montreal	127
Seminaire Saint Sulpice, Montreal	1,044
Seminaire de Quebec, Quebec City	435
Estate L. P. Sirois, Quebec City	200
Miss S. Sylvestre, Sherbrooke	100
Sir J. M. Tellier, Joliette	168
Arthur Terroux, Montreal	300
M. J. Tessier, Quebec City	146
Hon. E. W. Tobin, Bromptonville	200
Hilaire Therien, Montreal	104
Estate L. T. Trempe, Montreal	249
Mrs. L. T. Trempe, Montreal	135
J. A. Trudeau, Montreal	130
J. C. E. Trudeau, Montreal	100
J. C. Trudeau, Beauharnois	100
General Trust Co., Montreal	5,246
General Trust Co., in trust, Montreal	751
General Trust Co., in trust, Montreal	231
Estate J. A. Vaillancourt, Montreal	381
J. E. Vanier, Montreal	100
Estate Joseph Versailles, Montreal	306
Estate E. R. Webster, Montreal	253
Hugo Wild, Montreal	127
Senator J. M. Wilson, Montreal	811

Demand Deposits Up Bank Statement Shows

Savings Also Show Substantial Gain in April Over Previous Month — Credit Index Recedes to 10-year Low

Demand deposits were up nearly $30,000,000 at the end of April with the 10 Canadian chartered banks, and there was also an increase of over $9,000,000 in saving accounts, as compared with the month previous. Compared with a year ago the demand deposits are $25,000,000 ahead but savings show a drop of nearly $24,000,000. About the only significant change noted in the amounts due banks abroad is a drop for the year of over $10,000,000 due to foreign banks the figure standing at slightly over $37,000,000 at the end of April, 1933, as compared with $26,000,000 for the same month in 1934.

Though down a little from a year ago, loans to municipalities show a seasonal increase of over $11,000,000, probably in anticipation of tax collections. The only other important change in this class is a drop in railroad securities of $8,000,000 from the previous month. Changes in other loans and securities are insignificant, a slight rise in current loans being offset by a similar decrease in call loans.

The Financial Post's credit index dropped from 53.2 in March to 51.8 in April, which is the lowest point in the last ten years. This would indicate that Canadian business is still more interested in wiping off past debts rather than increasing borrowings on the strength of the recent industrial improvement. Comparative figures follow:

	Apr., 1934 $	Mar., 1934 $	Change $	Apr., 1933 $	Change $
ASSETS — Immediately Available Liquid Resources					
Specie	49,087,727	49,132,883	—45,156	56,404,704	—7,316,977
Dom. notes	128,540,497	125,680,207	+2,860,290	126,909,044	+1,631,453
Gold reserve	18,681,732	21,681,732	—3,000,000	20,581,732	—1,900,000
Foreign banks	81,708,061	86,138,572	—4,430,511	95,095,862	—13,387,801
Foreign curr.	19,520,214	20,449,983	—929,769	23,340,536	—3,820,322
Govt. secs.	659,668,240	649,805,775	+9,862,465	599,245,693	+60,422,547
Call loans ab'd.	119,536,926	106,209,509	+13,327,417	82,221,152	+37,315,774
	1,076,743,397	1,059,098,661	+17,644,736	1,003,798,723	+72,944,674
Loans and Securities Other Than Those of Canadian Government					
Public secs.	138,228,656	136,690,895	+1,537,761	163,240,419	—25,011,763
Railway secs.	39,514,296	48,143,414	—8,629,118	43,407,014	—3,892,718
Can. call loans	100,525,217	103,102,791	—2,577,574	94,060,371	+6,464,846
Current loans	877,447,651	874,774,952	+2,672,699	913,022,937	—35,575,286
Loans abroad	136,759,838	138,381,385	—1,621,547	150,431,888	—13,672,050
Prov. loans	27,591,199	26,492,252	+1,098,947	32,074,546	—4,483,347
Mun. loans	138,842,143	127,451,098	+11,391,045	142,419,136	—3,576,993
	1,458,909,000	1,455,036,787	+3,872,213	1,538,656,311	—79,747,311
Other Assets					
Non-curr. loans	13,808,937	13,824,306	—15,369	14,237,474	—428,537
Real estate	7,624,862	7,678,593	—53,731	7,673,646	—48,784
Mortgages	6,062,944	6,092,603	—29,659	6,283,137	—220,193
Premises	78,327,282	78,236,643	+90,639	79,032,712	—705,430
Lets. of credit	51,440,639	51,262,098	+178,541	46,846,370	+4,594,269
Loans to comp.	13,494,528	13,489,101	+5,427	13,400,641	+93,887
Other assets	1,604,036	1,738,659	—134,623	1,681,304	—77,268
	172,363,228	172,322,003	+41,225	169,155,284	+3,207,944
Total	2,708,015,625	2,686,457,451	+21,558,174	2,711,610,318	—3,594,693
Note cir. dep.	6,516,039	6,513,162	+2,877	6,615,338	—99,299
Int. bank bal.	116,536,824	91,859,845	+24,676,979	101,031,370	+15,505,454
Gross	2,831,068,488	2,784,830,458	+46,238,030	2,819,257,026	+11,811,462
LIABILITIES — To the Public					
Circulation	133,083,185	140,910,153	—7,826,968	134,272,610	—1,189,425
Dom. Govt.	31,551,831	26,360,435	+5,191,396	10,299,721	+21,252,110
Prov. Govt.	26,116,938	29,539,603	—3,422,665	19,536,053	+6,580,885
Govt. advances	38,944,000	40,144,000	—1,200,000	39,344,000	—400,000
Deposits by Public					
Demand dep.	510,170,806	470,182,368	+39,988,438	484,223,105	+25,947,701
Savings dep.	1,375,862,015	1,366,528,536	+9,333,479	1,399,541,563	—23,679,546
Total	1,886,032,821	1,836,710,904	+49,321,917	1,883,764,668	+2,268,153
Foreign dep.	322,228,994	320,785,536	+1,443,458	308,585,587	+13,643,407
Due to Banks Abroad, Etc.					
United Kingdom	5,937,548	6,167,072	—229,524	4,836,549	+1,100,999
Foreign	26,355,766	26,800,810	—445,044	37,157,056	—10,801,290
Bills payable	749,563	844,795	—95,232	339,247	+410,316
Lets. of credit	51,440,639	51,262,098	+178,541	46,846,370	+4,594,269
Other liabs.	2,347,914	2,358,763	—10,849	2,194,969	+152,945
Total public liab.	2,524,789,199	2,481,884,169	+42,905,030	2,487,176,830	+37,612,369
Due bet. banks	14,816,259	11,527,211	+3,289,048	11,513,848	+3,302,411
Liability to Shareholders					
Dividends	956,341	630,284	+326,057	998,746	—42,405
Reserve	132,500,000	132,500,000	....	162,000,000	—29,500,000
Capital	144,500,000	144,500,000	....	144,500,000	....
Gross	2,817,561,799	2,771,041,664	+46,520,135	2,806,189,424	+11,372,375
Credit index*	51.8%	53.2%	—1.4%	53.4%	—1.6%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

International Pete. Maintains Volume

Total crude oil output for the first four months of 1934 by International Petroleum Co. for Peru and Colombia, was 8,681,286 barrels, or at the rate of 25,443,858 per year compared with an actual output of 24,363,003 in 1933 and 24,052,806 in 1932.

Peru's output for the first four months was 4,354,152 barrels against 3,317,025 for the first three months and Colombia's 4,127,134 barrels for the first four months against 2,933,398 barrels for the first three months of the present year. Colombia's output in the last month, therefore shows a marked increase over the monthly average while Peru's is slightly down.

Weekly Bank Clearings

	May 31 1934 $	Change yr. ago %	May 23 1933 $
Halifax	$ 3,010,969	+35.8	1,880,863
Saint John	1,682,809	+16.6	1,290,920
Moncton	732,867	+26.5	542,230
Sherbrooke	574,050	+ 3.6	506,246
Quebec	4,835,297	+ 5.8	3,306,760
Montreal	95,832,937	+ 6.0	70,319,804
Ottawa	3,844,039	+ 4.3	3,548,623
Kingston	491,684	+ 3.9	350,912
Peterborough	666,833	+17.8	490,024
Toronto	110,562,123	— 1.5	83,636,343
Hamilton	3,586,361	+ 4.8	3,145,133
Kitchener	938,872	+ 5.7	958,102
Brantford	660,436	—25.2	586,610
London	2,532,881	+12.3	1,871,437
Chatham	432,419	+16.0	324,098
Windsor	2,370,902	+16.7	2,024,523
Sarnia	338,088	+ 6.0	375,233
Sudbury	717,666	+21.4	470,226
Ft. William	553,055	+ 9.4	479,043
Winnipeg	87,594,948	+91.3	57,943,419
Brandon	337,052	+30.2	249,618
Regina	3,409,804	+26.5	2,405,251
Moose Jaw	328,834	—33.1	435,318
Saskatoon	1,218,916	+15.1	982,194
Pr. Albert	250,316	+22.4	232,524
Edmonton	3,387,666	+ 4.9	2,912,351
Calgary	5,033,051	— 0.7	4,132,078
Medicine Hat	178,834	+16.3	164,892
Lethbridge	322,227	— 0.6	383,664

Obituary

Napoleon Lavoie, former general manager of La Banque Nationale, now part of La Banque Canadienne Nationale, died recently at Quebec. Mr. Lavoie entered the service of La Banque Nationale in 1865, and retired in 1921.

Foreign Exchange Markets

THE pound sterling has declined appreciably in the last two weeks. In this movement, the price of gold in London has risen and dollar quotations for sterling have dropped. There is now considerable anticipation of a period of comparative softness for sterling. First, the normal seasonal strain on the pound is about due. However, the British equalization fund could ordinarily be expected to take care of this. The more important factor is that there is definite indication that American and French sources are drawing on their accumulated London balances. Claims on sterling have risen in the last two years to a higher point than in 1931, when the volume of withdrawals of such funds from London forced the pound off gold.

The weakness of sterling has not affected the Canadian dollar appreciably in New York. Sterling, however, is still at a premium in both Canada and the United States. If withdrawals of funds from London were to drive the pound substantially below $5, studies based on the last two years experience would indicate that there is a likelihood of the Canadian dollar going to a discount in New York.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	May 29 $	May 30 $	May 31 $	June 1 $	June 2 $
U. S. dollar, High	.5906	.99¾	.99 13/16	.99 13/16	.99 13/16	.99 13/16
Low	.5906	.99 11/16	.99⅝	.99 13/16	.99 13/16	.99 11/16
1933 High	1.000	1.13⅝	1.13¼	1.13	1.13	1.13
Low	1.000	1.12⅝	1.12¾	1.12½	1.12¾	1.12¾
U. K. pound	4.8665	5.06½	5.06¼	5.05	5.05¼	5.05⅝
Argentina	.9648	.2333	.2333	.2343	.2353	.2430
Australia	4.8665	4.0286	4.0207	4.0178	4.0158	4.0178
Austria	.1407	.1899	.1899	.1894	.1894	.1894
Belgium	.1392	.2331	.2332	.2347	.2328	.2331
Brazil	.1963	.0903	.0900	.0900	.0900	.0900
Czechoslovakia	.0296	.0415¼	.0417	.0416	.0415	.0414¾
Denmark	.2680	.2265	.2266	.2258	.2258	.2257
France	.0392	.0657½	.0658	.0656	.0656	.0656
Germany	.2382	.3901	.3902	.3896	.3891	.3893
Greece	.013	.095	.095	.095	.095	.095
Holland	.4020	.6750	.6751	.6748	.6746	.6743
Hong Kong	.5422	.3655	.3658	.3649	.3624	.3624
Hungary	.1749	.2976	.2976	.2971	.2971	.2971
India	.3650	.3859	.3858	.3853	.3861	.3853
Italy	.0526	.0847	.0848	.0850	.0857	.0859
Japan	.4985	.3041	.3040	.3040	.3040	.3030
Jugoslavia	.1929	.0228	.0228	.0227	.0227	.0227
New Zealand	4.8665	4.0448	4.0368	4.0338	4.0318	4.0338
Norway	.2680	.2546	.2547	.2538	.2539	.2539
Poland	.1122	.1894	.1894	.1892	.1899	.1894
South Africa	4.8666	5.0541	5.0441	5.0404	5.0379	5.0404
Spain	.1929	.1363	.1364	.1362	.1360	.1361
Sweden	.2680	.2613	.2614	.2607	.2607	.2605
Switzerland	.1930	.3240	.3240	.3239	.3237	.3239

SMALL NET LOSS FOR E. L. RUDDY, SURPLUS REDUCED

Reduction in Poster Advertising Cuts Revenue During Year

E. L. Ruddy Co., Ltd., reported a smaller operating profit and a larger net loss for 1933. This was due, according to J. R. Robertson, president of the company, to a curtailment of advertising appropriations generally and resulted in a reduction of business to the Ruddy Co. alone of $399,324 as compared with 1932. The operating profit for the year ended Dec. 31, 1933, was $78,369 as against $120,488 for the same period in 1932, but after bond interest, depreciation and taxes on the Drake Realty Co., there was a net deficit of $45,130 as against $11,294 for the year previous. There was a drop of $201,990 in surplus.

CONS. INCOME AND SURPLUS ACCT. Years Ended December 31

	1933 $	1932 $
Net profit from oper.	72,178	114,842
Add: Profit on deb. red.	6,191	5,646
	78,369	120,488
Less: Bond interest	43,693	45,012
Int., taxes, Drake Realty Co.*	11,500	11,000
Depreciation	68,306	75,770
Deficit for year	45,130	11,294
Previous surplus	427,563	614,144
Less: Loss on plant demolished	150,062	168,696
Inc. tax prev. years	6,798	6,591
Balance carried fwd.	225,573	427,563

*Drake Realty Co. is a wholly-owned subsidiary operating as a real estate holding company.

Due to the retirement of some debentures, bond interest was reduced from $45,012 in 1932 to $43,693 in 1933, while depreciation, which stood at $68,306 was slightly over $7,000 below the previous year. The consolidated surplus account was reduced $427,563 by over $200,000, the main item responsible being a loss estimated at $150,000 through the dismantlement of bulletin and poster structures.

Largely on account of a reduction in the accounts receivable from $370,229 in 1932 to $83,436, there is a sharp reduction in current assets to $205,997 as compared with $520,382 in 1932. Current liabilities are also down, principally on account of the complete retirement of a bank loan of $95,389 and a reduction in accounts payable and accrued liabilities of $163,977 in 1932 to $92,040 at the end of 1933. The reduction of liabilities, however, is not sufficient to offset the drop in assets with the result that working capital is down sharply from $192,621 in 1932 to $40,885 in 1933.

Working Capital

	1933 $	1932 $
Current assets	205,997	520,382
Current liabilities	165,112	327,761
Working capital	40,885	192,621
Ratio	1.25—1	1.59—1

Of the deferred assets there is a balance due on long term Neon contracts of $170,055 and of $130,238 investments in and advances to affiliated companies. Against these are listed balance due on long term Neon contracts of $45,475 and $68,402 set aside as a reserve for future expense in connection with these contracts. Real estate is valued at $1,827,873, goodwill at $281,967 and unexpired insurance and prepaid leases at $25,070.

Monthly Bank Clearings

	May, 1933 $	May, 1934 $
Halifax	$ 9,361,531	$ 11,485,686
Saint John	6,558,327	7,530,168
Moncton	2,643,942	3,007,232
Sherbrooke	2,445,264	2,791,060
Quebec	17,167,600	17,926,891
Montreal	354,593,934	405,157,181
Ottawa	17,779,841	19,243,094
Kingston	2,110,203	2,301,469
Peterborough	2,325,806	2,712,092
Toronto	442,110,122	511,655,936
Hamilton	14,598,039	18,101,171
Kitchener	3,609,359	4,555,872
Brantford	3,544,086	3,389,481
London	10,065,805	11,510,784
Chatham	1,696,518	1,848,787
Windsor	10,147,095	10,792,817
Sarnia	1,532,533	1,796,882
Sudbury	2,210,042	2,949,971
Fort William	2,285,084	2,548,913
Winnipeg	259,972,529	358,867,492
Brandon	1,178,908	1,351,742
Regina	12,948,568	15,346,643
Moose Jaw	2,231,534	1,097,905
Saskatoon	5,034,964	5,793,415
Prince Albert	998,083	1,209,079
Edmonton	13,716,732	15,681,909
Calgary	21,952,910	20,244,543
Medicine Hat	763,693	881,006
Lethbridge	1,336,838	1,603,484
N. Westminster	1,889,112	2,153,789
Vancouver	58,200,728	63,793,798
Victoria	5,989,289	6,380,679

"NO WONDER EVERYBODY LIKES PICOBAC!"

"Take it by and large every smoker likes Picobac. Picobac is a tobacco a man takes to right from the start. Light up your pipe with Picobac and you'll like it from the first touch of the match! You'll like the fragrance of it. You'll like the mellow flavour of it.

"Picobac is a cool ... sweet smoke. No wonder everybody likes it. Picobac is the pick of Canada's Burley crop, grown in sunny southern Ontario and matured for two years in wood.

"I'll tell you what you do. Buy and try Picobac tonight. You'll like it I'll guarantee that."

NEW SEAL-TIGHT POUCH 15¢
HANDY POCKET TIN 10¢
ALSO IN ½ POUND HUMIDORS

"IT DOES TASTE GOOD IN A PIPE"

Picobac

Imperial Tobacco Company of Canada, Limited

GROWN IN SUNNY, SOUTHERN ONTARIO

Dominion Stores Sales Are Slightly Lower

Dominion Stores, Ltd., report sales for the four-week period ended May 19 of $1,543,289, a little lower than for the same period in 1933 when the total was $1,554,037. There were 14 fewer stores operating during this period in 1934 than for the same month a year ago, so that the unit sales per store are higher on the average.

Famous Apple Tree

The famous apple tree at Island View, N.B., owned by F. A. Good, of Fredericton, blossomed with 116 varieties of apples this spring, and six more new grafts are to be made this year. The tree has been bearing now for eleven years, with new varieties of apples added each year.

Plant Apple Trees

With a view to encouraging apple growing in the Province of Quebec, 25,000 apple trees will be planted in various sections of the province during the early part of the summer, according to an announcement of the Department of Agriculture.

1832 THE BANK OF NOVA SCOTIA INC. AD 1832 1934

Complete Facilities ...

COMPLETE FACILITIES in every department of banking, developed from over a century of successful banking experience, are at the disposal of every customer of this century-old bank.

World-wide facilities in every department of banking

Coast to Coast in Canada

NEWFOUNDLAND, JAMAICA, CUBA, PUERTO RICO, DOMINICAN REPUBLIC

NEW YORK, CHICAGO, BOSTON, LONDON, ENGLAND

The BANK of NOVA SCOTIA

OVER A CENTURY OF BANKING SERVICE

Position of Chartered Banks of Canada as of April 30, 1934, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Balance Due to Dominion Government $	Advances under Finance Act $	Balances Due to Provincial Governments $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $
Montreal	33,634,126	17,807,769	9,000,000	9,464,995	135,518,131	388,363,307	60,454,386	2,753,490	1,333,102	3,283,329	49,553
Nova Scotia	11,821,217	1,165,362	3,214,000	617,675	33,750,302	133,117,476	36,026,116	2,934,149	124,146	1,532,211	65,353
Toronto	6,150,634	194,961	1,500,000	991,218	23,271,520	63,185,224	....	917,818	185,863	922,704	230,400
Provinciale	3,790,353	199,555	600,000	98,489	4,363,699	32,289,259		....	....	47,341	
Commerce	23,911,164	6,565,522	7,000,000	4,016,723	111,544,063	275,651,127	52,942,425	2,395,608	1,641,496	5,734,329	84,804
Royal	30,176,081	2,626,705	9,000,000	6,730,025	129,089,226	265,372,875	168,228,367	1,340,838	447,292	10,677,238	319,453
Dominion	6,329,523	908,673	4,956,000	640,312	24,857,354	61,081,715	3,548,958	1,664,019	240,544	1,511,157	....
Nationale	8,974,984	474,748	2,000,000	1,998,328	17,100,089	78,630,069	1,028,742	845,032	32,053	227,396	....
Imperial	8,008,053	667,470	1,590,000	1,559,173	27,249,991	75,360,564		1,255,236	153,354	793,174	....
Barclays (Canada)	287,050	941,066	84,000	....	3,476,431	2,810,399		710,069	1,779,698	1,626,887	....
Total	133,083,185	31,551,831	38,944,000	26,116,938	510,170,806	1,375,862,015	322,228,994	14,816,259	5,937,548	26,355,766	749,563

NAME OF BANK	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $	Capital Authorised $	Capital Subscribed $	% Last dividend %	*Loans to Directors and firms of which they are partners $	Average gold and Coin Held $	Average Dominion Notes Held $	Greatest amount of notes in Circ. $
Montreal	5,938,699	1,682,325	729,433	38,000,000	36,000,000	744,012,652	50,000,000	36,000,000	8	1,096,076	15,477,506	41,809,176	38,028,523
Nova Scotia	5,578,497	255,985	8,846	24,000,000	12,000,000	266,211,339	15,000,000	12,000,000	12	2,793,799	8,839,602	9,852,983	12,381,395
Toronto	1,209,667	15,525	1,229	9,000,000	6,000,000	113,776,769	10,000,000	6,000,000	10	1,088,472	381,800	3,680,170	6,574,284
Provinciale	147,554	3,070	4,703	1,000,000	4,000,000	46,544,028	5,000,000	4,000,000	6	665,306	338,064	412,906	3,927,958
Commerce	13,800,817	....	7,878	20,000,000	30,000,000	555,295,962	50,000,000	30,000,000	8	6,413,604	10,613,000	33,697,000	25,508,181
Royal	21,225,351	69,937	19,926	20,000,000	35,000,000	700,273,319	50,000,000	35,000,000	8	2,274,785	11,958,151	21,979,610	32,032,472
Dominion	2,444,687	321,023	3,949	7,000,000	7,000,000	122,507,919	10,000,000	7,000,000	10	1,656,650	640,000	2,342,000	6,829,988
Nationale	448,293		4,162	5,000,000	7,000,000	123,765,900	10,000,000	7,000,000	10	264,170	929,429	1,050,715	9,398,179
Imperial	609,605		176,215	8,000,000	7,000,000	132,422,839	10,000,000	7,000,000	10	573,343	506,791	4,034,929	8,588,308
Barclays (Canada)	37,489		....	500,000	500,000	12,753,072	500,000	500,000	......	....	11,741	98,808	306,010
Total	51,440,639	2,347,865	956,341	132,500,000	144,500,000	2,817,561,799	210,500,000	144,500,000	......	16,826,205	49,595,074	118,658,299	141,460,498

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin $	Dominion Notes $	Notes of other banks $	United States and other foreign currencies $	Cheques on other banks $	Balances due from other banks in Canada $	Due from banks in U.K. $	Due from banks elsewhere $	Government securities $
Montreal*	15,517,333	50,503,644	2,916,473	435,234	21,892,313	2,001	3,508,647	8,929,880	260,809,746
Nova Scotia	8,598,069	9,014,164	1,050,437	2,226,676	9,244,486	....	1,393,647	6,563,863	67,251,534
Toronto	393,331	4,234,415	611,165	24,083	5,619,705		927,017	1,351,277	32,409,514
Provinciale	242,083	376,142	511,130	63,100	1,529,880	2,716,613	5,425	205,005	9,874,492
Commerce†	10,524,077	30,814,416	2,173,260	1,155,871	18,844,985	38,861	753,840	14,886,416	110,781,073
Royal‡	11,693,682	24,467,891	2,868,700	15,428,552	24,155,875	959	4,143,265	31,070,671	104,475,253
Dominion	642,615	3,337,790	871,530	67,792	6,722,675	....	213,603	1,133,775	24,728,747
Nationale§	943,740	1,014,358	826,765	68,499	4,015,429	359,907	130,341	445,813	23,964,292
Imperial	519,984	4,735,686	638,615	49,202	5,523,649	614,192	515,773	1,254,223	22,383,357
Barclays (Canada)	12,813	51,991	14,170	1,305	952,697	1,810,352	3,437,602	837,878	2,990,132
Total	49,087,727	128,540,497	12,482,245	19,520,214	98,511,694	5,542,885	15,029,160	66,678,901	659,668,240

NAME OF BANK	Canadian municipal British and foreign securities $	Railway and other Bonds and Stocks $	Call loans in Canada $	Call loans elsewhere $	Other current loans in Canada $	Other current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-current loans $
Montreal*	32,579,650	5,466,070	6,169,468	51,589,763	188,691,352	6,136,215	6,368,303	51,509,046	3,749,418
Nova Scotia	15,982,770	7,057,630	6,664,412	3,211,983	85,871,184	12,822,437	1,347,532	9,881,894	976,158
Toronto	5,870,865	660,107	4,968,929	....	45,463,133	....	....	6,110,524	356,192
Provinciale	5,131,289	3,036,613	8,091,437	....	13,437,261	....	....	983,573	173,532
Commerce†	29,862,196	3,891,012	27,962,577	33,964,742	164,522,249	16,541,565	8,680,777	32,044,206	3,302,382
Royal‡	21,118,065	8,842,483	29,595,516	28,665,092	224,663,362	100,811,036	1,414,135	12,672,412	4,071,846
Dominion	4,748,623	2,062,052	3,033,000	2,305,346	54,795,585	386,574	....	3,375,920	406,477
Nationale§	16,500,130	3,555,491	4,888,777	....	40,707,267	62,011	5,219,644	10,859,210	427,936
Imperial	6,253,191	122,598	6,247,992	....	58,266,730	....	4,560,808	11,405,358	331,448
Barclays (Canada)	181,877	20,980	903,100	....	1,029,538	....	....	....	13,548
Total	138,228,656	39,514,296	100,525,217	119,536,926	877,447,651	136,759,838	27,591,199	138,842,143	13,808,937

NAME OF BANK	Real estate other than premises $	Mortgages on real estate $	Bank Premises $	Letters of Credit $	Deposit for note circulation $	In central gold reserves* $	Shares of and loans to controlled companies $	Other assets $	Total assets $
Montreal*	498,512	1,037,211	14,500,000	5,938,699	1,589,618	5,000,000	30,087	325,585	745,723,280
Nova Scotia	....	106,306	7,683,714	5,578,497	535,064	1,250,000	2,784,071	124,908	267,224,448
Toronto	587,790	41,893	3,635,325	1,209,667	315,801	630,866	....	....	114,823,819
Provinciale	2,565,543	379,701	2,128,996	147,554	195,400	....	....	79,263	46,905,687
Commerce†	2,478,442	2,617,711	14,861,619	13,800,817	1,350,000	4,000,000	4,029,120	391,935	559,161,261
Royal‡	90,217	859,590	17,032,313	21,225,351	1,500,000	3,000,000	6,622,350	376,739	703,254,593
Dominion	1,224,853	21,455	5,930,121	2,444,687	306,800	400,000	....	134,000	123,059,492
Nationale§	179,506	593,994	6,088,343	448,293	358,411	2,300,000	....	54,020	124,857,673
Imperial		405,083	6,000,851	609,605	449,950	2,100,866	....	117,487	133,396,384
Barclays (Canada)		....	450,000	37,489	14,795	....	....	....	12,760,074
Total	7,624,862	6,062,944	78,327,282	51,440,639	6,516,039	18,681,732	13,494,528	1,603,937	2,831,068,488

*Of this deposit $5,181,732 is in gold coin; the balance is in Dominion notes.
*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.
†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.
‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.
§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return.—Footnote to Banque Canadienne Nationale return.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Summer Home for Rent

Spacious Georgian Bay home located on separate 11-acre island complete in every detail. Five bedrooms and servant's quarters; running water, 3 bathrooms. Equipment includes furnishings, 22 ft. launch; Delco lighting plant and electric refrigeration. Available either July or August. Apply Box 4, The Financial Post, Toronto.

Position Wanted

FORMER MONTREALER NOW RESIDING in Toronto seeks connection with reliable firm. Offers diversified experience as travelling salesman, chief accountant and manager with commercial and manufacturing concerns in Canada, United States and the West Indies. Highly recommended—would go anywhere. Bilingual. Box 310, The Financial Post, 481 University Ave., Toronto.

Opportunity Wanted

Experienced Executive Assistant Available

SCOTSMAN, married, wishes position, bookkeeper, stenographer or private secretary. Will accept small commencing salary and go anywhere. Not afraid of hard work. Correspondence invited. Personal interview, if desired, in Toronto some time in July. Apply

Box 264, The Financial Post, Toronto

To the Automobile Trade

MANAGEMENT AND CONTROL ARE essential to retain profits once more showing. Highly experienced in Finance and co-ordination of departments. Special experience in Automobile Trade. Communicate with Box 312, Financial Post, Toronto.

WANTED

Used Wide Carriage Typewriter in First-Class condition. Must be 18" or larger. Give make and serial number to Box 304, The Financial Post, Toronto.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222, The Financial Post.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1934, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 3rd day of July, 1934, to shareholders of record of the 20th June, 1934.

By Order of the Board.

DUDLEY DAWSON, General Manager.

Toronto, 17th May, 1934.

Canada Permanent Mortgage Corporation

QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of TWO PER CENT. for the current quarter, being at the rate of

Eight Per Cent Per Annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Tuesday, The Third Day of July

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1934.

By order of the Board.

WALTER F. WATKINS, Secretary.

Toronto, May 23rd, 1934.

Marcus Loew's Theatres, Limited

DIVIDEND NOTICE

Notice is hereby given that the Directors of the Company have declared a quarterly dividend on the 7% cumulative preference shares of the Company for the quarter-year ending 31st March, 1928, payable 30th June, 1934, to shareholders of record at the close of business 15th June, 1934.

By order of the Board.

B. V. McCRIMMON, Secretary.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 30

NOTICE is hereby given that a Dividend of 25c. per share being at the rate of $1.00 per annum, has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending June 30th, 1934, payable July 25th, 1934, to shareholders of record at the close of business on June 30th, 1934.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, May 22nd, 1934.

DIVIDEND NOTICES

Securities Holding Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Fifty Cents per share on the Preference Shares of the Company has been declared payable July 3rd, 1934, to shareholders of record at the close of business on the 15th day of June, 1934. The transfer books will be closed from the 16th to the 30th days of June, both days inclusive.

By order of the Board.

F. T. LARGE, Secretary.

SISCOE GOLD MINES LIMITED

DIVIDEND NOTICE No. 9

NOTICE is hereby given that a Dividend of Three (3c) Cents per share and a Bonus of One (1c) Cent per share on the issued Capital Stock of the Company has been declared, payable June 30, 1934, to Shareholders of record at the close of business June 15, 1934. Stock transfer Books of the Company will be closed from June 16 to 30, inclusive.

H. E. GREEN, Secretary-Treasurer.

Montreal, May 11, 1934.

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"A" Preferred

A quarterly dividend at the rate of 7% per annum on the Class "A" Preferred Stock of this Corporation for the quarter ending June 30th, 1934, has been declared; payable June 30th, 1934, to shareholders on record at the close of business June 15th, 1934.

"B" Preferred

A quarterly dividend at the rate of 6% per annum on the Class "B" Preferred Stock of this Corporation for the quarter ending June 30th, 1934, has been declared; payable June 30th, 1934, to shareholders on record at the close of business on June 15th, 1934.

Common and Ordinary Shares

The Board of Directors has declared a quarterly dividend of .25c per share on the Common and Ordinary Stock of this Corporation for the quarter ending June 30th, 1934, payable June 30th, 1934, to shareholders on record at the close of business on June 15th, 1934.

Share Warrants

Share Warrant holders will present coupons, serial number 28, to the Canadian Bank of Commerce, London, Ontario, and branches in Ontario and Quebec, on and after June 30th, 1934, where payment will be made at par.

By Order of the Board,

JAMES D. GOOD, Secretary-Treasurer.

London, Ontario, June 4th, 1934.

NOTICE

County of Dufferin

DEBENTURES FOR SALE

Sealed tenders marked "Tenders for Debentures" and addressed to Treasurer, County of Dufferin, Box 210, Orangeville, Ontario, will be received up to 12 o'clock noon, Monday, June 25th, 1934, for the purchase of $34,000.00, 5% interest, coupons attached, bonds maturing 1935-1954, interest payable yearly. The highest or any tender not necessarily accepted.

JAMES HENDERSON, Treasurer, County of Dufferin.

WILLYS-OVERLAND AUTOMOBILE PLANT FOR SALE BY TENDER

Tenders will be received by the undersigned until 12 o'clock noon (D.S.T.) June 16th, 1934, for the purchase of the following land and factory premises, vacant land, equipment and inventories:

A. Parcel:
1. Approximately 12.84 acres of Vacant Land in the City of Toronto.
2. Approximately 2.86 acres of Vacant Land, partly in the City of Toronto and partly in the Township of York.
3. Lot No. 54 (Vacant Land) on Lavender Road in the Township of York.
4. Two Blocks of Vacant Land on Weston Road South between Avon and Cayuga Avenues in the Township of York.
5. Land and Premises known as 208, 210 and 212 Weston Road South, Toronto.
6. Land (approx. 10 acres) and Factory Premises (approx. 400,000 sq. ft.) known as 201 Weston Road South, Toronto, IN BLOCK OR ANY ONE OR MORE PARCELS THEREOF.
7. Machinery, Office and Factory Equipment, Automobile Parts Inventory, as detailed on schedules.

B. Parcel:
1. Land (approx. 4 acres) and Warehouse (or Factory) Premises (approx. 38,000 sq. ft.) known as Roman Stone Plant located on Oak Street in the Town of Weston.
2. Lighting Fixtures at 884 Bay Street, Toronto, as per schedules.
3. Stock Bins, Equipment and Office Furniture, as per schedules.

Inspection of the above Parcels may be made at any time prior to June 15th, 1934, by appointment.

A CIRCULAR CONTAINING DETAILED INFORMATION OF THE ABOVE PROPERTIES MAY BE OBTAINED FROM THE HEAD OFFICE OF THE COMPANY ON REQUEST.

TERMS:

Tenders must be in writing and forwarded by registered mail accompanied by a certified cheque payable to the order of Willys-Overland Limited for property referred to in "A" and to Willys-Overland Sales Company Limited for property referred to in "B", for 5% of the amount of the Tender, which will be returned if Tender not accepted. Proposed method of payment of balance of purchase price shall also be submitted by purchaser with Tender.

The highest or any Tender not necessarily accepted.

Dated at Toronto this 30th day of May, 1934.

WILLYS-OVERLAND LIMITED, WILLYS-OVERLAND SALES COMPANY LIMITED, WEST TORONTO, ONT.

Says Ontario Granite "Assays" 37.5 p.c. Oil

Large Canadian oil companies were cold recently when approached in regard to a "lake of oil" 37 miles long and 16 miles wide which, it was claimed, lay deep in the "granite" in the Flesherton area, northwest Ontario.

The gentleman who carried this startling news broke into print some years ago when he told of a river of oil running by the underground route from the Arctic to the Gulf of Mexico. At this time he succeeded in getting sufficiently financed to drill several holes and attributed his failure to strike oil to the nefarious actions of a large United States oil company which, he claimed, had bribed his engineers to kill operations. He claimed that this company was terrified at the thought of this vast oil supply being tapped in Canada.

To bolster up his latest story this gentleman claims that no less than seven different well-known chemists have "assayed" his granite and found it to run 37½ per cent oil.

On two points is this promoter vague. First as to what sort of a machine would be necessary to "squeeze" the oil from the granite and secondly as to how the vast deposits got underneath Flesherton. "It must have come from above or below," is his only explanation.

Wheat

From Our Grain Correspondent

Chicago Influences Winnipeg

WINNIPEG. — Although rains commencing with the first of June reversed the rising trend of prices at the end of last week and the beginning of this, the advance was resumed in mid-session on Tuesday. Very largely this was under the influence of prices at Chicago, which again swept upward when it was realized that rainfall in the United States was either too limited or too late to effect much improvement in either winter or spring wheat prospects.

The drought there is important not only as reducing the prospective wheat yield to something far below the requirements of the country for the coming year, which can be offset by the large carry-over, but by threatening an actual deficiency of total supplies of food and feed. The loss of pasture, of hay and forage crops, the enforced slaughtering of tens of thousands of livestock from scarcity of feed, will all, before the final effects are worked out, have an important effect on the world food situation.

* * *

Some Export Demand

THE degree to which price movements at Winnipeg have paralleled those at Chicago indicate that the Canadian market is for the immediate present too much under the influence of conditions south of the line, to be reflecting world conditions accurately, even though it may be forecasting future developments. To a large extent this is due to the extreme narrowness of the market, with a great proportion of holdings of futures in the hands of the government agency, which is believed to have reversed its policy of a few weeks ago, and to be hanging tightly to its holdings. Consequently every shipment of grain out of the country, and the appearance of every new buyer in the market tends to have a greater than normal effect on the price level here.

Although export business has, during the rise, been frequently interrupted, there have been some fairly large spurts on occasion, as recessions in our markets have caught bids from abroad placed at under prevailing quotations. Concentrated as such buying has been in brief periods, its extent and influence have tended to look larger than would otherwise be the case. Great Britain continues to buy, and to use Argentine wheat in preference to Canadian, because of the much lower price, with the continent doing very well proportionately for Canada on its limited purchases, as high-grade wheat is needed to some extent to add strength to flour made mainly from home-produced wheat.

* * *

European Conditions Poor

FOR all Europe it is now admitted that wheat production is sure to be much less this year than last year. The falling off is most important in the Balkan states, which will fall short of meeting their own needs, instead of producing the exportable surplus of 50,000,000 bushels allowed them under the London agreement. Only in Spain does the yield promise to be greater than last year. But that country is of small importance in the international market, importing little even when home production is very poor.

Drought is complained of even in western Europe where rainfall is usually sufficient. This may affect the potato and rye crops to a more important extent than wheat, with important effects on wheat prices. One of the greatest dangers to the European wheat crop arises from a wet harvest season, the satisfactory estimates of production can seldom be made before harvest time.

* * *

London Agreement Passé

ALTHOUGH diplomatic circles are still discussing the London wheat agreement the market shows no interest, and it is assumed that the Argentine will continue shipping wheat in quantity in spite of having exceeded the year's quota, and that her exports in the following crop year will similarly be unrestricted.

* * *

Australian Outlook Improved

THERE has been some relief from drought in Australia. Conflicting reports as to extent of wheat acreage reduction appear to arise from the fact that although the usual seeding season is completed, operations may be carried on for some time yet, if moisture conditions become favorable on some land now unseeded.

* * *

Balkans Make Treaties

RECENT commercial treaties between Hungary, Austria and Italy seemed to threaten Canada's export of wheat to the latter named countries, except that Italy's imports from Canada have been largely of Durum wheat and also that any surplus Hungary products may be required in other Balkan states.

Bob Tough Gold Seeks Permit To Sell Shares Across Border

Application has been made to the Federal Trade Commission at Washington, D.C., to sell shares in Bob Tough Gold Mines in United States.

The company was formed last year to develop a gold prospect in McKinnon township, Sudbury district, Ontario. Through underwriter Norman G. Bellinger of Buffalo, the company proposes to offer 400,000 shares to the public at 25 cents each and 500,000 shares at 35 cents each, receiving a gross profit of eleven and one quarter cents per share for the first 400,000 and 12 cents per share for the remaining 500,000.

Station at 125-ft. Level To Be Cut Soon by Adanac

A station will be cut on the 125-ft. level on the Adanac properties in Rouyn Township, Quebec, in the course of the next few days, it is officially announced.

Lateral work will cut the "F" ore body less than 100 ft. from the station, it is expected. Values through diamond drilling showed 5-ft. sections of $22.40, $33.20 and $36.60. South of the "F" vein the Joyce vein has been proven over a length of 3,400 ft.

Grain and Milling in Canada

JUNE 1 RAIN INVALUABLE TO PRAIRIES

Only Southern Saskatchewan Needs Immediate Relief

HELPED KILL PESTS

Although No Surplus of Moisture Reported, Most Sections Will Have Fair Crop

From Our Own Correspondent

WINNIPEG. — The Western crop situation changed materially for the better when the first of June ushered in a period of cool and rainy weather, during which practically all grain fields received moisture, and some a great deal. Conditions over the greater part of Manitoba and Alberta, as well as Northern Saskatchewan may now be said to be reasonably satisfactory so far as immediate moisture requirements are concerned, although continued precipitation during June is required in varying degree. In portions of southern Saskatchewan rainfall so far received has been little more than sufficient to furnish a brief check to crop depreciation. It will be valuable, however, if more rain is received immediately.

Grasshoppers in this area, as well as in southwestern Manitoba, had accomplished a great deal of destruction before the change in the weather halted hatching, feeding and growth, and over wide areas it is still a question whether much can be saved from their ravages. The hot dry weather in May brought them out at an extremely rapid rate, and vigorously as poisoning and cultivation campaigns were carried on against them, there would have been small hope of holding them in check had drought and heat continued for a few more days.

Feed Situation Better

The feed situation has been enormously improved in the West as a whole, with great areas of pasture and hay land that had appeared hopeless springing to life, and with reasonable hope that even districts which have little prospect of producing cash crops will be able to cut feed, and even to thresh feed grains. Until the coming of the rain a large part of the south country had presented a desert appearance, with miles of country showing little or no signs of any growth, and with farmers in almost desperate need of immediate assistance to save their stock from destruction by starvation.

The relief problem threatened to be greater than had yet been faced, and even yet, so far as much of southern Saskatchewan is concerned, it is bound to be great. Should rain and cool weather be experienced through June it is probable that many fields which now seem to have scant hope for production will give a reasonable yield, and the total area seeded to wheat which is now beyond redemption, although unfortunately large, is perhaps not so great a percentage of the whole as has been feared.

Cutworm damage has been fairly extensive in some southern fields which had managed to survive perils of grasshoppers, soil drifting and drought.

Peace River Area Crop Conditions Good

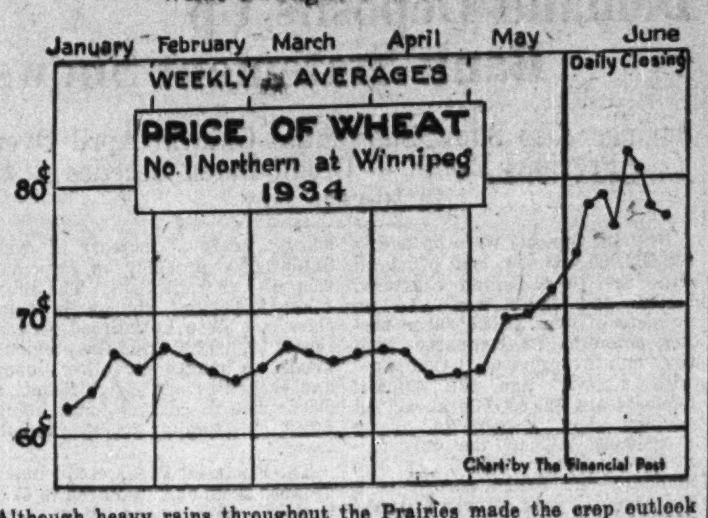
Peace River district has escaped all damage from drought or insects, according to the crop report of the Canadian National Railways, dated June 1. A heavy 24-hour rainfall had been experienced in the area just prior to that date.

Rainfall of the past week end will allow farmers to complete their seeding of coarse grain, held up on account of the drought, according to the C.P.R. crop report.

Issue God's Lake Map

Issued in one color to avoid delay in having it available for prospectors, a map of the Oxford House area in God's Lake district, northern Manitoba, has just been released by the Federal Department of Mines. The map is essentially designed for the prospector and engineer, and contains the unique feature of marginal notes, descriptive of the means of access to the various regions, with notes on the general topography, feature of rock formation, and recent mineral discoveries.

What Drought Did to Prices



Although heavy rains throughout the Prairies made the crop outlook more hopeful, prices held the higher level under the influence of Chicago and some export orders.

Russia's Wheat Imports Usual Seasonal Movement

Pacific Coast Imports from Argentine Overstressed—But Possibility of Large Imports Next Year Become Likely Through Drought

From Our Own Correspondent

WINNIPEG.—Purchase by Russia of several cargoes of Argentine wheat for delivery at Vladivostok have received an undue amount of attention. Similar purchases have been made at this season of the year during many preceding years, even when Russian exports from the Black Sea have been heavy. They are in themselves not an indication of wheat shortage in Russia, but merely of the fact that with Russia's limited transportation facilities for reaching the Pacific Coast it may be cheaper and easier to buy foreign wheat to make up the deficiency of the far east than to ship interior supplies overland.

In some past years these Pacific Coast purchases have been of Canadian wheat, but Argentine wheat is so much cheaper now as to get the preference.

Grain Shortage Threatens

Nevertheless it seems to be clearly established that the drought in Russia has been so severe as to threaten a shortage of grain in the coming year, and also that last year's crop was so short that the limited exports of wheat Russia has made during the current year represented supplies that could ill be spared. The shortage of grain for immediate needs, indicated by the announced rise in bread prices in principal cities would appear to be due, not to any actual exhaustion of last year's crop, but rather to the withholding by peasants of supplies that otherwise might have been released either to the market or to the Government collection agencies.

Ever since the inauguration of the present regime in Russia, and even since the high degree of socialization of agriculture within the past few years, collection of grain from farms has been one of the critical points in the Government's programme. Official statistics published in Russia have dealt repeatedly with the process of collection, and whenever boasts have been made of the success of wheat campaigns they have been, not so much of production, but of collection.

Under Government and propagandist pressure peasants have been persuaded to part with grain that would otherwise have been eaten by their families or livestock, or held in reserve against crop failures. The famine of 1932, full details of which have never reached the outside world, undoubtedly resulted in heavy privation and many deaths, and created a state of mind in which peasants are reluctant to part with grain they may need themselves.

Thus the drought that has afflicted a considerable portion of Russia and has impaired prospects for the crop of 1934 not only produces the possibility of food shortage before the end of the current crop year, but makes it difficult to make reasonable distribution of food stocks remaining on hand.

Yield May Be Small

A point of importance in this connection is that much of the expansion of Russian wheat acreage that has taken place during recent years has been in areas of limited rainfall. Such areas may have very rich soil, capable of remarkable production in years of abundant rain, but may be able to produce little or nothing in the inevitable seasons when rainfall is below the average. Ample evidence of this is available in the tremendous contrast in production results in North America, in Kansas, in the Dakotas, and in Southern Saskatchewan, between the good years and the bad. Such contrasts do not appear in the moister climates, such as prevail for example in Western Europe, where a variation of ten or fifteen per cent from normal yield is considered large.

It is by no means impossible that Russia, instead of being a food exporter in the coming year, might have to import on a considerable scale, but such a need, if it arises, is more likely to make itself felt a year from now, with the exhausion of the next harvest, rather than in the near future.

Dame Nature's Tantrums May Aid Canadian Gov't

If World-wide Insufficiency Develops, Higher Prices Would Let Government Let Go "Tail of the Tiger" — Too Soon to Say Yet

From Our Own Correspondent

MONTREAL.—Banking, milling and grain interests in this city are following with intense interest Dame Nature's destructive tantrums among the crops of the world. At the same time chief executives are loath to express any opinion as to the eventual outcome because they do not know what this lady may have up her sleeve in the way of weather and especially in the way of rains.

"Don't ask me for an opinion on the effect in Canada," said one of the most weather-wise of Canada's generals of industry. "It isn't a question of just Canada. It is the relation of Canada's crop to the whole world crop that will count. Supposing that Canada has a 300,000,000 bushel crop or even a 250,000,000 Western wheat crop, the held-over surplus still leaves the situation easy and there would be 500,000,000 bushels available for world markets. Apparently crop conditions are bad in other parts of the world but the evidence is not all in yet."

While all are certain that a world-wide semi-failure in the wheat crops would make prices higher they are not certain that such a semi-failure would entirely remove surpluses and affect prices much. Such a situation would be a God-send to the Canadian Government, in the opinion of one business man, who went further to say "that it is the one chance I see for the Government to let go the tail of the tiger without harm to itself." He thought, however, the Government had acted rightly to step into the Western situation as deeply as it had but thought that if a world-wide drought let them out this time, the burned child would dread the fire in future.

An economist boldly differs from all the business, grain and banking men about the surplus, saying that talk of over-production of wheat was ridiculous and that the surplus in sight—if administered by a competent world authority for the benefit of the whole world—would be only reasonable insurance against world famine in time of bad and failing crops.

Northern Hemisphere Drought Chief Market Bullish Factor

Outstanding bullish factors in the world wheat situation at June 1, as listed by the Searle Grain Co., Winnipeg, were: Severe drought in U.S.A., Canada and Australia; subnormal conditions in Russia and practically the whole of Europe; reduction of acreage in U.S.A., Canada and Australia; and Russia importing wheat.

Bearish factors were listed as follows; Wheat agreement commission estimate no reduction in world wheat surplus; reduction in importers' wheat requirements; French carry-over and world surplus still large.

Key Facts About Wheat

	Week bu.	Previous week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William	70,343,409	71,517,128	47,505,833
Country elevators	83,221,697	84,109,318	97,553,833
Total, all points	199,093,431	200,541,046	203,443,469
World Shipments, incl. flour:			
North American, May 28	4,406,000	5,359,000	6,288,000
Argentine, May 28	3,333,000	3,624,000	3,224,000
Black Sea*, May 28	....	....	....
Australian, May 28	1,395,000	1,189,000	2,184,000
Total, world, May 28	9,902,000	10,988,000	11,896,000
Visible Stocks, May 25:			
United States	77,265,000	78,332,000	114,909,000
Canadian	106,210,000	104,240,000	93,963,000
Country Marketings and Exports:†			
Canadian exports, June 1	2,721,984	2,407,019	4,671,546
Cum. to June 1 (44 weeks)	131,227,440	128,505,506	197,396,706
Prairie marketings, May 18	1,967,688	1,071,769	2,281,927
Cum. to May 18 (42 weeks)	199,793,770	197,826,082	336,441,969
Country deliveries, June 1‡	2,251,000	1,235,000	3,956,000
Country loadings, June 1‡	2,979,230	2,784,440	5,655,080

*Includes South Russia. †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to June 5, 1934

Crop year from Aug. 1, 1933 High	Low		Open May 30	High for week	Low for week	Close June 5
		Wheat				
.95	.59¼	May	.79	.81⅝	.75¾	.....
.85½	.62¼	July	.80¼	.85½	.76½	.78½
.87¼	.68⅝	Oct.	.82¼	.87¼	.78½	.80¼
		Oats				
.48½	.29½	May	.37⅝	.38⅞	.36⅝	.....
.40⅞	.30⅞	July	.39⅛	.40⅞	.34⅞	.37⅝
.41⅞	.32½	Oct.	.39⅞	.41¼	.38	.38⅝
		Barley				
.59¾	.32½	May	.....	.43⅝	.40¾	.....
.46½	.35	July	.43	.46½	.39¾	.43¼
.48⅝	.37⅛	Oct.	.44⅞	.46⅝	.43¾	.45⅝
		Flax				
1.74¾	1.15	May	1.69	1.74¾	1.69	.....
1.74	1.39½	July	1.71	1.74	1.66	1.64
1.75	1.40	Oct.	1.70	1.74	1.55	1.64
		Rye				
.68½	.39¼	May	.....	.64⅝	.50⅝	.....
.57¼	.41⅝	July	.58	.57¼	.50¼	.52⅝
.59⅝	.43½	Oct.	.55¼	.59⅝	.49	.55½

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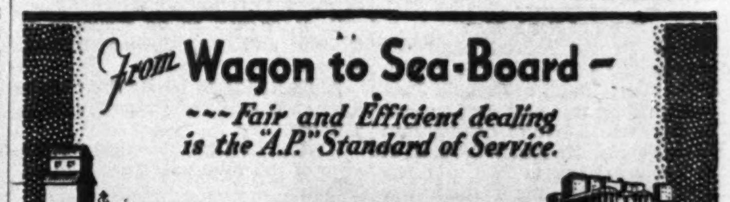

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Judgment Again Reserved In 15-year-old Mine Trial

Principals in a $1,000,000 trial over a silver, lead and zinc mine near Kaslo, B.C., are still waiting for a judgment although the trial has already lasted nearly 15 years. Recently Mr. Justice G. A. McDonald, in B. C. Supreme Court, after a seven-days hearing, reserved judgment.

Mrs. Minnie Mead May, and her husband, D. K. May, of Thompson Falls, Montana, suing on behalf of shareholders of Gibson Mining Co., Ltd., sought to set aside a judgment of Mr. Justice Murphy pronounced April 2, 1932, on the ground it was obtained by perjured evidence. The claim was contested by D. P. Kane, of Kaslo, trustee of Daybreak Mining Co., Ltd., which is in bankruptcy. The property now stands in the name of the Daybreak Co.

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WALL ST. APATHETIC

Considered Only Mildly Inflationary — Unlikely to Help China — Treasury Stocks Heavy

By DR. GAINES T. CARTINHOUR
School of Commerce, Accounts and Finance, New York University

NEW YORK.—The administration's new silver proposal has failed to receive general approval in the U. S., or abroad, and has not caused any unusual speculation in the metal. In fact, there is little interest in Wall Street in the pending silver legislation. This dispatch will discuss certain aspects of the measure which have not been presented previously in The Financial Post. Presumably its main purpose is to eventually nationalize silver and permit the executive to purchase this metal until the monetary stocks are composed of gold and silver in the ratio of 75 to 25. The House of Representatives recently passed this bill by an overwhelming majority and it is now in the Senate.

As one of the great silver producing nations of the world, Canada is vitally concerned with all silver developments. Some economists believe that if the American dollar is actually put on a one-quarter silver basis, the Canadian dollar might go to a considerable premium, thereby interfering with the Dominion's exports to the U. S., and driving competing products, such as American wheat, down to cheaper prices in export markets. In all probability, under such circumstances, Ottawa would immediately put into effect special duties, applicable to countries with depreciated currency, and thereby make unlikely increased exports from the U. S. to Canada. However, in my opinion, it is doubtful if heavy purchases would be made in the near future, and consequently the immediate effect on Canada and other silver producers would be almost negligible.

Won't Help China

It is interesting to note that the U. S. Government has already purchased foreign silver with some of the proceeds of the $2,000,000,000 stabilization fund, created from part of the treasury's profit through nationalization of gold. It is understood about $25,000,000 has been used during the past month to purchase foreign exchange which, in turn, has been utilized to buy metallic silver in world markets. It is reported approximately 65,000,000 ounces has been acquired in this time. The Government has purchased in addition nearly 5,000,000 ounces of nearly mined domestic silver pursuant to the London silver agreement.

Higher silver prices would not materially help China to purchase manufactured goods because silver plays a relatively small part in enabling that country to pay for her imports. To meet visible and invisible charges of about $1,600,000,000 during 1933, China had net exports of silver amounting to only $14,000,000, a very small per cent of the total sum needed. Merchandise exports and remittances from abroad of some $675,000,000 were the primary factors enabling her to make foreign payments last year.

The principal weakness of the silver purchase bill is that it adds another element of uncertainty to the outlook for the U. S. monetary system. It affords additional proof of the persistence of the experimental attitude in monetary matters which has been adopted by the Roosevelt administration. One great need in the U. S. at the present time is money certainty and freedom from money experimentation. No sound reason has been advanced for introducing a silver base that would probably dilute the backing of U. S. currency and further devalue the dollar. Fluctuating values as between gold and silver would also serve to complicate matters.

Only Mildly Inflationary

It is interesting to analyze the measure to determine if there are any inflationary implications. The general consensus of opinion on this point seems to be that at the most it is only mildly inflationary. Even if the treasury issued as much currency as the bill permits, it is believed the inflationary effect would be practically nil. Genuine inflation, which is both unnecessary and undesirable, could be accomplished with respect to silver only by mandatory monetization.

It would be extremely difficult if not impossible for the U. S. to raise silver to the status of a major monetary metal. The real difficulty, of course, is that there has been no control over the quantity of silver in the world and that price fluctuations have in the past been impossible to hold in line with gold values. Mr. Roosevelt wants to bring about an international control of world silver production, but it seems obvious that there can be no final solution to the silver problem until all the world agrees or at least until there is a stabilized relation between gold countries and silver countries or those using both metals.

There has been no bimetallic country in the world since 1873, and, according to one internationally famous money expert, the only silver standard countries at the present time are China, Hong Kong, and Ethiopia. China, he states, is looking forward to the gold standard as soon as political and economic conditions in the country will permit.

It is understood that one effect of the proposed bill might be to make imperative another international silver conference in the near future if the Government buying programme should be more intensive than expected, and as a result there would be large shipments of the metal to the U. S. to take advantage of high prices. However, most observers are inclined to be sceptical on this point. But it has been mentioned in several quarters.

Proportion of Money

Prior to the decrease in the gold dollar, silver constituted about 16 per cent of the U. S. money stocks of silver and gold, but by the devaluation of the dollar this percentage was reduced to about 10 per cent. The sponsors of the measure have stressed the fact that in the '90's silver monetary stocks amounted to from 45 to 50 per cent of total metallic reserves and that 25 per cent would be an average of the proportion during a long period of years.

If silver would be valued at $1.29 an ounce when measuring the supply of silver to be acquired, according to treasury experts, the Government would need approximately two billion ounces of silver against the currency gold stock of $7,757,000,000. Since the treasury has some 690,000,000 ounces of silver, about 1,810,000,000 ounces would have to be acquired. Silver certificates would be used in payment and Federal Reserve notes now outstanding would be replaced by them.

Some economists interpret Mr. Roosevelt's message to hold that symmetalism is the ultimate objective he has in mind for a world monetary standard. This standard would create a combination gold and silver unit as the standard of value. The present standard unit of value in the U. S. is the gold dollar of 15 5/21 grains, nine-tenths fine. If symmetalism is brought about we would have as the basic unit of value a dollar which contains not only a fixed number of grains of gold but also a fixed quantity of silver. At present the U. S. settles international balances in gold but on this new standard balances would be settled with both gold and silver. Of course to establish a symmetallic standard in which paper currency is redeemed in fixed proportions of both gold and silver, additional legislation would be necessary.

In my opinion the bill is primarily a political gesture and unlikely to be of a serious monetary nature. Mr. Roosevelt doubtless hoped to strengthen the position of the Democratic party in the silver-producing states.

Expect Creditor Approval Maple Leaf Milling Scheme To Give Five-Year Relief

Bondholders Meet June 28 — Shareholders Two Weeks Later

CREDITORS CONTROL

D. C. MacLachlan, General Manager, Outlines Scheme — Conforms With Advance Data of Post

Holders of Maple Leaf Milling Co. 5½ per cent bonds of 1949 are to meet on June 28 to consider modification of their claims on the company, according to the new scheme of reorganization. Large bondholders will approve the plan, since they took part in the drafting, it is understood.

Bank creditors are understood to be in agreement with the proposed scheme, since their representatives assisted in drafting it. Thus it appears that creditor approval of the scheme is altogether likely.

Present preferred and common shareholders will be called into conclave on the proposals about two weeks after the bondholders' meeting, it is understood. This would indicate a meeting date about July 12, provided there is no postponement of the creditors' gathering.

Management by Creditors

Management of the company will be vested in bank and bondholder creditors under the scheme through issue of three management shares. These shares will have the right to elect six of the nine directors, the other three to be chosen by holders of the proposed new common shares. Two of the management shares will be issued to the trustee for the bonds, Royal Trust Co., and one to bank creditors.

As yet serious consideration has not been given to changes in directors, The Financial Post is informed. This refutes a recent rumor that C. H. Carlisle, president of the Dominion Bank, and of Canada Bread Co., Maple Leaf subsidiary, might also become president of Maple Leaf. If and when the reorganization scheme is approved, however, the bank and bond creditor groups will be empowered to make changes before the annual meeting by reason of the management shares.

Conforms With Forecast

The scheme of reorganization conforms with the advance information given in The Financial Post last week. It is summarized in a special statement by D. Campbell MacLachlan, general manager of the company, as follows:

"Maple Leaf Milling Co. proposes immediately to submit to its bondholders and shareholders a plan for the reconstruction of the capital structure of the company, the main purpose of which is to give the company an opportunity to restore its working capital position by reducing for a period its fixed charges. To enable this purpose to be carried out, holders of the company's bonds, its bankers and its shareholders will all be asked to make concessions.

"Briefly, it is proposed to reduce for a period of five years from December 1, 1933, the interest payable in cash on the bonds and on part of the company's bank indebtedness, to modify for the same five-year period sinking fund requirements and to make all principal and interest on the bonds payable in future only in Canadian funds. It is also proposed to reduce the capital of the company to an amount more in keeping with the value of its assets and to issue to holders of the bonds and the company's bankers in consideration of concessions made by them new class A preferred shares.

New Capitalization

"Under the scheme the authorized capital of the company will consist of 100,000 class A preferred shares and 300,000 common shares. During the five years the bondholders will receive half of the accruing interest on the bonds in cash and half in Class A shares amounting over the period to 10 class A shares for each $1,000 of bonds, or a total of 46,205 shares. In addition it is proposed that the company's bankers in respect of approximately $2,000,000 of indebtedness will, during the five years receive interest at the rate of one per cent in cash and the balance in class A shares delivered in installments yearly and totalling over the period of five years 32,140 shares, so that at the end of this period there will be a maximum distribution to the bondholders and bankers of 78,345 class A shares.

"The present shareholders of the company will, it is proposed, receive common shares as follows:

"Seven new common shares for each old 7 per cent preference share;

"One new common share for each old class B preference share;

"One new common share for each five old common shares;

making a total number of new common shares to be presently issued of 250,100.

"The new class A preference shares will be redeemable after the five-year period at $17.50 per share, and if prosperous conditions return, the present shareholders by redemption of these class A shares will be enabled to recover their interest in the equity.

Voting Control Change

"Provision is made in the scheme for voting control of the company during the five-year period by representatives of the company's bondholders and bankers, to whom management shares will be issued which will be automatically converted to common shares after seven years provided the company is not in default.

"Both the new class A preferred and common shares will be of no par value and the proposed reconstruction includes a substantial reduction in the paid-up capital to an amount more in keeping with the value of its assets, thus enabling the company to write down items such as goodwill, and meetings of the shareholders will be held to consider the whole scheme following the bondholders meeting.

"While prices during the last three years have been very unsatisfactory, the company has maintained its share of both export and domestic flour business and it is felt that the substantial saving in fixed charges involved in the proposed reorganization will enable the company to build up its working capital and take advantage of any improvement in business conditions.

"The company has requested the trustee under the deed of trust securing the bonds to convene a meeting of the bondholders for June 28 and pending consideration of the scheme at this meeting the interest due on the bonds on June 1 will not be paid."

The capitalization to be outstanding at the conclusion of the five-year plan of relief will be as follows:

Capitalization to be Outstanding

	Authorized	Issued
1st mtge. bonds .	$5,000,000	$4,620,500
Cl. A stk., n.p.v. . .	100,000 sh.	78,345 sh.
Common, n.p.v. . . .	300,000 sh.	250,100 sh.
Management shs. .	3	3

Price Bros. Proxies Are Desired Quickly

From Our Own Correspondent

MONTREAL. — Hon. Gordon Scott, trustee in bankruptcy for Price Bros. & Co., states to The Financial Post that the response had been excellent to the demand for proxies from shareholders in favor of the joint plan between the company and Bowater's Paper Mills, Duke Price Power Co., London Express Newspaper and the Anglo-Newfoundland Development Co.

"I think shareholders should be told, however, that I should have 75 per cent of the shares outstanding as soon as possible. If I do not get 75 per cent they will be cutting their own throats and it would be of distinct advantage for me to know as early as possible where we stand."

Digest of Parliament

OTTAWA, May 28, House of Commons—Hon. E. N. Rhodes tabled the Tariff Board report on the British woollen application. Translations Bureau Bill given third reading. Marketing Act approved in committee and reported, with many amendments, for third reading. Revised Companies Act considered in committee.

May 29, House of Commons—Revised Companies Act debated in committee. Rapid progress made. Enquiries Act given second reading. Casgrain proposal for provincial lotteries defeated.

Banking Committee—Central Bank Act considered.

Agricultural committee—E. N. Ramsey, chairman of the Board of Grain Commissioners, supported legislation providing for separate grading of Garnet wheat.

Senate—Translations Bureau Bill given first reading. League of Nations debate continued.

May 30, House of Commons—Enquiries Act given third reading. Revised Companies Act further considered.

Radio Committee—Telegraph companies gave details of contract with broadcasting commission.

Senate—Admiralty Court Bill passed. Translations Bureau Bill advanced to committee stage. League of Nations debate continued.

Sealing and Fisheries Committee—Session held Wednesday and Thursday at which treaty commitments of Canada in the Pacific waters were examined and evidence was taken regarding the falling off in the salmon run in the Fraser River.

May 31, House of Commons— Revised Companies Act reported for third reading. Post office estimates considered.

Banking Committee—Central Bank Act under consideration. Bankers object to gold clauses.

Railways Committee—Investigation into National Railways accounts started.

Senate—Canada Shipping Act passed. Enuiries Act introduced.

June 1, House of Commons—Revised Companies Act given third reading. Bank Act considered. Estimates voted.

N. B. Power Commission Goes Into Northumberland

MONTREAL. — At a total capital outlay of $451,650 the New Brunswick Power Commission will extend hydro power into Northumberland County and will take over the distributing system of Chatham and Newcastle. The project will involve a step-up station at the Grand Lake plant, 74 miles of transmission line from that plant to Nelson on the Miramichi, a step-down transformer station at Nelson, a tie line between Nelson and Chatham, another between Nelson and Newcastle and the changing over of the Newcastle system from two-phase to three-phase.

Power plants in Chatham and Newcastle will be obtained for $54,500 each.

TRUSTEE DEFENDS PLAN TO POSSESS WELLINGTON BLDG.

London & Western Trusts Answers Criticism of Michigan Group

An organization calling itself the "Committee of Michigan Bondholders" in the Wellington Building, Toronto, recently circularized bondholders, intimating that the London and Western Trusts Co. receiver and manager of the building, which since 1930 has been in default in payment of interest on bonds, is contemplating putting the structure up for auction.

In his letter of April 24, Allan M. Thompson, chairman of the Michigan group, states that the Wellington Building is now earning over $37,000 per year above the cost of maintenance and that in a few years "it will work itself out and all bonds will be paid." He cited the case of Genosha Hotel at Oshawa and Queen's Park Plaza, Toronto, for both of which the London and Western Trust acted as trustee, and states that both buildings were sold with bondholders in the first named receiving a few cents on the dollar and in the case of the Plaza nothing at all.

Reasons for Action

In reply, the London & Western Trusts Co. in a recent letter to Mr. Thompson states:

"The present proceedings are directed simply to put the property into the position where it can be dealt with quickly and expeditiously in the event of a favorable opportunity arising, either to sell or reorganize. To this course the defendant has offered determined resistance ever since the institution of the action. Such opposition could hardly have been actuated by a desire to help the bondholders, but simply to hold on to the equity as long as possible. When the time comes to consider whether the property should be sold, the matter will be put before the court and dealt with as the court directs."

Genosha Hotel

In reference to the Genosha Hotel and the Queen's Park Plaza, the letter of the London and Western Trusts Co. comments:

"In both those cases, the entire situation was fully laid before the court and representation was had by all parties. In both cases bondholders were fully apprised of what was taking place and had every opportunity to intervene had they so desired. The inference that those properties were sacrificed and that unless immediate steps are taken by the bondholders the Wellington property will also be sacrificed is one which we cannot let pass unnoticed. There has been so much of this sort of thing emanating from some unknown source that we would gladly welcome the institution of an application, such as you propose, to have the sale proceedings set aside and to have this company removed as receiver and manager, in order that those who have not the decency to come into the open may be forced to disclose their hand."

"We shall expect you to again circularize the bondholders, retracting the statements you have made, failing which we shall feel compelled to circularize them with a copy of this letter and will also take the matter up direct with the Michigan Public Trust Commission without further reference to your committee."

Apparently the "Committee of Michigan Bondholders" did not retract its statement as the London and Western Trusts Co. has, sent a copy of its letter to all bondholders in the Wellington Building and at the same time advised them that a statement of receipts and disbursements would follow in a short time and in addition, expressed the hope of being able to advise them of a further disbursement of interest.

EXPECT TORONTO TO FINANCE SELF BY SINKING FUND

City "Very Comfortable" — May Not Enter Bond Mart

City of Toronto is in a "very comfortable" financial position, The Financial Post is informed. In fact it is reported that the city's sinking fund may take care of any borrowings this year. Civic officials state that they are not even considering approaching the market for money.

The city's estimates for 1934 stated that of the capital commitments authorized up to 1934, the probable amount to be funded this year would be $7,712,304. Total capital expenditures authorized to be funded were shown at $8,627,885. Outlays for which funding had not been authorized totalled $3,945,150. But in some cases the expenditures had not been made, and, in others, the city's sinking fund contributions this year are expected to be sufficient to provide the necessary money.

Probable Capital Commitments to be Funded in 1934

Local improvements	$1,008,920
Direct relief	3,300,791
Relief works	1,285,473
Schools	362,264
Waterworks and mains	1,647,767
Ratepayers' share locals	107,089
	*$7,712,304

*Of which $580,000 had been funded.

Mass Buying Enquiry

Chain and Department Stores Last on List — Committee Then Will Plan Report — Well Pleased With Results to Date

From Our Own Correspondent

OTTAWA.—The Price Spreads Committee is rapidly nearing the end of its prolonged investigation into the operations of the manufacturers and middlemen of Canadian business.

This week the committee heard evidence regarding the reorganization of the Pat Burns Co., and also, a very forceful argument from Percy Sparks, one of the unofficial sponsors of the whole investigation, on his, "price maintenance" policy. Mr. Sparks developed a case in favor of a wider application of the old P. A. T. A. agreement, under which price spreads were fixed in the patent medicine business.

Will Frame Report

Then Clarkson, Gordon, Dilworth, Guilfoyle and Nash, the auditors working on the departmental stores, opened that phase of the enquiry. This is to be followed by the enquiry into chain stores which, it is expected, will occupy most of next week.

Thereafter the committee will begin the task of framing a report. As the investigation draws to a close much is heard of the direct benefits which the enquiry has conferred upon primary producers. Some of these have already been outlined in The Financial Post. The tobacco growers have got higher prices for the growing crop; the fruit growers have got more favorable contracts from canners; employers have paid more regard for minimum wage laws and so forth.

Pleased With Results

The committee, apparently, has been much impressed by the corrective effect of mass publicity carried on through the large dailies and business weeklies. There is a growing feeling that these benefits more than justify the time and money that have been expended and that the committee might well let the matter rest where it is and not recommend drastic and radical legislation.

The Financial Post continues its chronological summary of the evidence:

Investigation of Packers

A. B. Shepherd of Peat, Marwick, Mitchell and Company, chartered accountant gave evidence on May 29 regarding a study of accounts of packing houses made by his firm.

Examination made was directed along the following lines:

(a) To ascertain the net income earned on the capital invested.

(b) To determine the spread between the price paid to the producer and the price received by the packer for the sale of various products.

(c) To determine the dressed cost of hogs, beef and small stock purchased through (1) direct shipments (2) stockyards or markets and (3) truckers.

(d) To determine the hourly rate of wages paid.

Report on Wilsin, Ltd., Montreal was the first considered. Net income over the past five years was shown to average $80,819 or 1.47 per cent of total gross sales.

Owing to lack of available information it was impossible to determine the spread between the price paid to the producer and the price received by the packer. It was shown, however, that the average return on invested capital was 15.42 per cent.

Cannot Get Figures

Gainers, Limited, Edmonton, another independent packers was the next under review. Net income was shown to average $38,748 over the past five years, or 1.96 per cent of gross sales.

Owing to lack of available statistics, it was impossible to determine the spread between the price paid to the producer of livestock and price received by the packer for manufactured product. However, the average return on invested capital was shown to be 9.98 per cent.

Canada Packers was shown to have paid $11,329,000 for the shares in its subsidiary companies, the Harris Abattoir, William Davis Company, Canadian Packing Company and Gunn's Limited.

Average net income over the past seven years was shown to be $1,111,748, or 1.43 per cent of gross sales. Percentage of net income to invested capital averaged 10.20 during that period, being lowest at 3.30 in 1932, and highest at 19.12 in the period between August 1927 and March 1928 immediately after the company was formed. It was impossible to show how the gross return—that is the difference between the purchasing price and gross selling price—was disposed of.

Canada Packers

Witness also stated:

"We were unable to determine the spread on sales of beef due to the company's method of purchasing cattle in ungraded lots and subsequently grading the dressed carcasses into some 40 different classes.

"'For these reasons we are unable to determine the spread between the price paid to the individual producer and the price received by the packer. However, we found that the average return based on the net income reported by the company was 10.2 per cent on invested capital and 1.43 on sales."

Mr. Shepherd continued on May 30.

Canada Packers' purchases in March, 1934, were in the following proportions: Direct shipments 51.47; stockyards 27.92; truckers 20.61.

Witness filed a schedule of wage rates, but stated that he was unable to determine from the payroll records whether or not employees "stand by" in their own time.

Complete Figures Not Available

Despite a mass of statistics on capitalization, sales, inventories, depreciation rates, etc., witness stated that he had been balked in an attempt to find the spread between the price paid to the purchaser and that received for the finished product.

Witness explained that in the case of Canada Packers, the head office charged the branch plant six per cent interest on the money invested in these plants, and the branch only submitted to the head office a statement of their net income after all charges. He could not give an opinion on the correctness of the charges made by the branch plant or by the head office for operating expenses. There was a lack of consolidated financial statements, he said.

Swift Canadian

The same situation was found with regard to Swift Canadian Company. He was informed that the company was controlled by Swift, Chicago, but could find no record of this at the Toronto plant.

Swift Canadian average net income over the past five years was shown to be $24,886, or only 0.24 of invested capital. The same investigation into the operations of F. Hunnisett Jr., revealed a lack of information to enable the auditor to find the spread between the purchase and selling price. Sales for the year 1933 amounted to $1,180,000 and the net income was $2,168, or .18 of one per cent of sales. This represented 24.3 per cent of invested capital.

Burns & Co.

Statements of assets, earnings, etc., on Burns and Company were submitted by the auditor.

It was decided to question Mr. Burns on the figures shown, and also to ask a representative of Dominion Securities Corp., which originally underwrote the issue of preferred stock, to appear.

The Seventieth Year

Invested in Huron & Erie Debentures

1873	Nil
1883	$240,000
1893	2,500,000
1903	3,900,000
1913	8,600,000
1923	13,700,000
1933	29,100,000

The Huron & Erie Mortgage Corporation

London, Toronto, Hamilton, Windsor, Chatham, St. Thomas, Winnipeg, Regina, Edmonton, Vancouver, Victoria

SPEEDY SERVICE BY NEW TICKERS IS INAUGURATED

Montreal Exchanges Start Coast-to-Coast Quotations at High Speed

From Our Own Correspondent

MONTREAL.—At ten o'clock on the morning of June 5 the Montreal Stock Exchange and Montreal Curb Exchange entered in a spectacular way into the competition for the stock trading business of Canada by inaugurating a new coast-to-coast high speed ticker service. Grant Hall, vice-president of the Canadian Pacific Railway, pressed the button in Vancouver, B.C., which set the new ticker tape running from Victoria to Halifax, and D. S. McMaster, chairman of the Montreal Stock Exchange, sent the first message to Mr. Hall.

Four minutes after this message was sent expressing wishes for long continuance of cordial relations between the Exchange and the C.P.R., which is supplying the new service, Mr. Hall's reply was in Mr. McMaster's hands. He also reciprocated good wishes and hoped the line would be a "valuable line of communication between business interests of Western Canada and those of Eastern Canada."

The new ticker service, installed and operated by the Canadian Pacific Railway Co. transmits the quotations of the Montreal Stock Exchange and the Montreal Curb Market simultaneously over the same wire with bid and asked, and sale prices on the two markets printed on the same tape. The quotations are transmitted over the carrier current telegraph circuits of the Caandian Pacific and are printed on the ticker tapes in Vancouver and Halifax at the same instant as in Montreal brokerage houses. With a high speed of five hundred or more characters per minute and immunity to ordinary weather disturbances the new installation is as fast, accurate and up-to-date as any on the North American Continent.

DIVIDEND NOTICE

BONDED TRUST CERTIFICATES

Issued 1934

The regular

MONTHLY DIVIDEND

of 1% was paid on June 1st, 1934, through the Imperial Trusts Company of Canada. Balance of earnings for the month was transferred to the Reserve Fund.

These monthly dividend cheques are mailed to Certificate holders direct by the Trustee. The Trustee has control of all revenues and disbursements.

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CONSOL'D SAND SHOWS NET LOSS IN FIRST REPORT

Operating Profit Offset By Depreciation; Sales Low

Consolidated Sand & Gravel Ltd., a subsidiary of Standard Paving & Materials Ltd., in its first statement to be issued separately, reported an operating profit of $13,328 for the year ended March 31, 1934, but after depreciation of $55,128 and a few other minor items there was a net loss of $40,144.

The tonnage of materials sold, states John E. Russell, president, was not 20 per cent of what might be considered a normal year. The company's seven per cent preferred stock was 12 per cent in arrears of dividends at March 31.

Loss for the year was as follows:

Profit and Loss Account
Year Ending March 31

	1934 $
Profit on operations	53,904
Less: Expenses	40,576
Net operating profit	13,328
Add: Other income	2,083
	15,411
Less: Depreciation	55,128
Loss on inv. & equip.	77
Int. on mortgage	350
Net loss	40,144
Previous deficit	37,141
Depreciation adjustment	25,000
Income tax paid	1,830
Deficit	104,115

A depreciation adjustment of $25,000 plus a previous deficit of $37,141 and a small sum for income taxes brought the total deficit up to $104,115.

Current assets which were valued at $157,016 were made up chiefly of accounts receivable $14,030, Dominion Government and City of Toronto bonds, $61,124 and inventory $74,904.

Working Capital

	1934 $
Current assets	157,016
Current liabilities	3,283
Working capital	153,733
Ratio	47.82—1

Current liabilities were $3,283, made up entirely of accounts payable. The working capital was thus reduced $3,283 to $153,733.

STAND. CHEMICAL INCREASES SALES REDUCES LOSSES

Current Liabilities Down But Assets and Working Capital Also Gaining

Standard Chemical Co. increased sales and reduced losses for the year ended March 31 but working capital was reduced. M. L. Davies, president of the company, reported an expansion in the lumber end of the business due to a revival in the export trade with Great Britain and a general improvement in the domestic automobile and furniture industries. The acute situation in the charcoal business and lower manufacturing costs allowed the company to retain its connections in this commodity, it was stated.

Sales Up

Sales were increased from $855,117 in 1933 to $1,174,762 which was the best record since 1930. There was a net loss of $119,191 as against $159,605 in the previous year. When depreciation of $17,500 was added this amounted to $136,691 as compared to $177,105 for the previous year. No dividends were paid and when the previous surplus of $3,076 was deducted the deficit carried forward totalled $133,615 compared with a small surplus of $3,076 in 1933.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended March 31

	1934 $	1933 $
Sales	1,174,762	855,117
Operating deficit	119,191	159,605
Depreciation	17,500	17,500
Net loss	136,691	177,105
Com. dividends	....	18,638
Deficit for year	136,691	195,743
Prev. surplus	3,076	188,819
Trans. from conting. reserve	....	10,000
Balance forward	*133,615	3,076

*Deficit.

Total current assets were down from $1,086,240 in 1933 to $887,926. Chief items were cash on hand $16,977 against $19,223 a year ago, working funds of $7,198 compared with $8,355, accounts receivable $10,000 lower at $165,245 and inventory of $698,505 which was also down from $883,440.

Working Capital

	1934 $	1933 $
Current assets	887,926	1,086,240
Current liabilities	124,667	186,721
Working capital	763,259	899,519
Ratio	7.15—1	5.83—1

The bank loan of $90,000 was paid off but accounts payable and accrued liabilities increased from $96,721 in 1933 to $124,667. Working capital was reduced from $899,519 in 1933 to $763,259.

The annual statement shows a contingent liability of $29,400 in respect of guarantee of bank loan of an associated company secured by hypothecation of first mortgage gold bonds of that company and there is a special reserve for contingencies of $61,298.

A special general meeting will be held on June 8 to consider a by-law reducing number of directors from 11 to nine.

STANDARD PAVING HAS LARGER LOSS BUSINESS SLACK

Working Capital Reduced —Outlook For 1934 More Encouraging

Standard Paving and Materials Ltd., showed a net loss of $239,289 for the year ended March 31 compared with $142,197 in the previous year. In his report to the shareholders John E. Russell, president, states that the paving companies had very little business last year and many of the contracts undertaken, owing to severe competition, were carried at a loss. However, business in hand for 1934, he reported, was much more encouraging.

On operations there was a loss of $137,055 against a loss of $41,633 last year and a profit of $274,350 in 1932. Reserves for depreciation and losses on uncompleted contracts amounted to $120,460 against $135,157 in 1933. The company's seven per cent preferred shares were 12 per cent in arrears of dividends at March 31.

CONS. INCOME & SURPLUS ACCOUNT
Years Ended March 31

	1934 $	1933 $
Net loss from oper.	137,055	41,633
Less: Misc. income	18,227	34,593
	118,828	7,040
Add: Deprec. res.	110,461	131,157
Bad debts reserve	4,000	4,000
Loss on contracts	6,000	......
Net loss	239,289	142,197
Add: Pref. dividends	......	27,360
Pref. divid. of subs.	......	21,464
Deficit for year	239,289	191,021
Prev. surplus	835,776	1,024,076
Inc. tax adj.	......	2,721
Less:		
Loss on cap. stock*	44,136	......
Addit. deprec. res.	126,346	......
Balance forward	426,005	835,776

* Loss on sale of capital stock of Standard Paving Incorporated.

From the previous surplus of $835,776 had to be deducted a loss on the sale of the capital stock of Standing Paving Inc. of $44,136 and an addition to the depreciation reserves of $126,346, which reduced the balance brought forward from $835,776 a year ago to $426,005.

Assets Down

Current assets were down, amounting to $571,863 in 1934 as against $654,107. Of these the chief items were investment in bonds and interest $303,206 which was over $100,000 below a year ago; accounts receivable $181,171, much higher than a year ago when they stood at $133,343; and inventories $87,486 or practically the same as in 1933.

Working Capital

	1934 $	1933 $
Current assets	571,863	654,107
Current liabilities	203,148	117,467
Working capital	368,715	536,640
Ratio	2.81—1	5.57—1

As current liabilities rose from $117,467 in 1933 to $203,148 in 1934 there was a shrinkage of working capital from $536,640 to $368,715. The main item in the current liabilities was a bank loan of $148,827 which was up from $88,516 a year ago and accounts payable of $54,321 which was almost exactly double the amount in 1933.

Str. Sandmerchant

There is a contingent liability in connection with the operations of the Str. Sandmerchant. Holders of the boat's bonds made an agreement whereby the vesel was to be operated by a subsidiary of Standard Paving & Materials Ltd., National Sand & Material Co., which guaranteed future interest payments. It is understood that nothing was paid on these bonds last year but as the boat is now making money no action is contemplated.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

Week Ending June 4

Range 1934 High	Low	Divd. Rate in $	Yield in % June 2		Sales	Close May 28 (or last)	Week Ending —June 4— High	Low	Close
				A					
2.50	.90	.	...	Abitibi	1600	1.60	1.65	1.55	1.55
10½	4½	.	...	Do. pref. 6%	65	9	9½	9	9
7½	5⅛	.	...	Do. cert. dep.	....	6	..	..	..
x80	80	.	...	Acme F. D'y p.	....	..	..	..	..
8½	6	20c	...	Agnew Surp.	20	7	6½	6½	6½
90	72	7	8.2	Do. pref.	....	85	..	..	..
7	3	.	...	Alta. Pac. Gr.	....	3½	..	..	..
23	16	.	...	Do. pref.	....	22	..	..	..
2½	2½	.	...	Amal. Electric	....	2½	..	..	..
14	10	.	...	Do. pref.	10	12½	12½	12½	12½
x3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
13⅞	9⅞	.	...	Asbestos, v. t.	335	10½	10½	9½	9½
13	9½	25c	...	Assoc. Brew.	110	10	10	9⅞	10
93	85	7	7.6	Do. pref.	....	91½	..	..	..
4½	4½	.	...	Assoc. Can.	....	4½	..	..	..
				B					
145	138	10	7.2	Bk. Can. Nat.	6	138	138	138	138
203	167	8	4.1	Bk. Montreal	237	190½	196	192½	196
278	260	12	4.6	Bk. N. Scotia	25	265	264	260	262
210	161½	10	4.9	Bk. Toronto	....	204½	..	..	..
16⅞	16⅞	.	...	Barcelona	....	16⅞	..	..	..
8½	3	.	...	Bathurst Pr.	670	8	8	7½	7⅝
3½	1⅞	.	...	Do. (B)	10	2¾	3	3	3
1½	1½	.	...	Bawlf Grain	....	1½	..	..	..
12	7	.	...	Do. pref.	16	10	12	12	12
4	3½	.	...	Beath & Sons	....	3½	..	..	..
10	6½	.	...	Beatty Bros. A	30	7½	8½	7	7
87	69	6	6.9	Do. pref.	....	87	..	..	..
9⅞	3⅞	.	...	Beauharnois	658	7	7⅛	6⅞	7
80	65	4	5	Belding Cort.	....	80	..	..	..
100	97	7	7	Do. pref.	....	100	..	..	..
120	110	6	5.1	Bell Telephone	468	117	117½	116	116½
12	7½	.	...	Biltmore Hats	....	9	..	..	..
93	85	7	...	Do. pref.	....	93	..	..	..
5	2	.	...	Bissell, T. E.	....	4	..	..	..
29	28	.	...	Do. pref.	....	28	..	..	..
5½	4	.	...	Blue Ribbon	....	4	..	..	..
32	23	2	6.7	Do pref.	3	30½	30	30	30
25	22	2	8	Brant. Cord. p.	240	24⅞	25	24½	25
14⅞	8½	.	...	Brazilian Tr.	11936	9⅞	9½	8½	8½
2.95	1.20	.	...	Brew. & Distil.	4070	1.45	1.50	1.20	1.30
11	5⅞	.	...	Brewing Corp.	2094	9	9	8½	8½
32	15½	.	...	Do. pref.	1748	31	31	30	30
[illegible]									
26	24	2	8	Humberstone S	20	26	25	25	25
18	9	50c	4.2	Hunts (A)	....	12	..	..	..
16	10	50c	3.1	Do. (B)	....	16	..	..	..
95	70	6	7.5	Huron & E. M.	....	80	..	..	..
15	14	.	...	Do. 20% pd.	4	14½	14½	14	14
8	5½	.	...	Hydro Electric	....	6½	..	..	..
				I					
180	141	10	5.8	Imperial Bank	16	174	174	172	172
15	12½	50+15c	4.6	Imperial Oil	8320	14⅞	15	14	14½
14	10½	52½c	4.7	Imperial Tob.	532	10⅞	11	10⅞	10⅞
15	14	.	...	Inter. City Bak	....	14½	..	..	..
§5½	5½	1	...	Inter'c Coal	....	5½	..	..	..
100	100	8	8	Do. pref.	....	100	..	..	..
b9⅞	4½	.	...	Int. Hyd. E. A.	3400	6½	6⅞	6	6½
110	99	7	6.4	Inter. Mill. pf.	....	109	..	..	..
84	84	6	7.2	Do. Series A.	....	84	..	..	..
29.00	21.15	10c	...	Inter. Nickel	20841	26.50	26.65	24.50	25.25
5	3	.	...	Inter. Paints	60	4	4	4	4
b6½	3⅞	.	...	Int. P. & Pr. A	500	4½	4½	4	4½
b3½	1½	.	...	Do. (B)	200	2½	2½	2½	2½
b2⅞	1⅛	.	...	Do. (C)	1300	1½	1⅞	1½	1½
b24½	10½	.	...	Do. pref.	2400	18½	17½	15½	16½
28½	19½	1.12+44c	5.9	Inter. Pete.	6853	28	28½	26	26½
3	2	.	...	Inter. Power	....	2½	..	..	..
21½	14	.	...	Do. pref.	65	21	21½	21	21½
6½	3	.	...	Int. Util. (A)	180	3½	4	3½	4
1.50	.75	.	...	Do. (B)	300	.75	.75	.75	.75
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
100	97	7	7.1	Do. pref.	....	99	..	..	..
				K					
5½	4½	.	...	Kelvinator	5	5	4½	4½	4½
95	80	7	7.7	Do. pref.	10	92	93	91	91
				L					
15	10½	.	...	Lake of Woods	275	10⅞	11½	10½	11
73	56	.	...	Do. pref.	....	67	..	..	..
80	75	6	7.5	Landed Bank	....	80	..	..	..
5	1	.	...	Langley's	10	4½	5	5	5
63	25	1.75	...	Do. pref.	50	54	50½	46½	50½
59	47½	3	5.2	Laura Secord	65	57	58	57	57½
3½	1½	.	...	Lindsay, C. W.	15	2	2½	2½	2½
40	35	.	...	Do. pref.	10	35	40	40	40
18½	14½	1+.15	6.8	Loblaw (A)	675	16⅞	17	16⅞	17
17⅞	13½	1+.15	7.2	Do. (B)	45	16	16⅞	16	16
[illegible]									
4	2	.	...	Waterloo Mfg.	75	2	2	2	2
8½	6	.	...	West. C. Flour	515	6	6½	6	6
62	48	3	5.3	Do. pref.	7	62	57	56	56
33	30	.	...	West. Grocers	....	33	..	..	..
87	85	7	8.2	Do. pref.	....	85	..	..	..
39½	28	1	2.7	Weston Bisc.	374	37	36½	36⅞	37
110	88½	7	6.4	Do. pref.	52	110	110	105	110
5	3½	.	...	Whittall Can	....	4	..	..	..
65	35	6.50	11.8	Do. pref.	....	55	..	..	..
2	2	.	...	Windsor Hotel	....	2	..	..	..
18	5½	.	...	Do. pref.	....	10	..	..	..
4	1⅞	.	...	Winnipeg Elec.	250	3	3½	3	3½
12	4	.	...	Do. pref.	77	9	10	9	9½
50	20	.	...	Woods Mfg. p.	65	49	48	48	48
				Z					
6½	4	.	...	Zimmerknit, c.	35	5½	6	6	6
50	50	.	...	Do. pref.	....	50	..	..	..

§ Quotations for 1933. No sales recorded in 1934 to date.
x Quotations for 1932.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
* See "Unlisted Stocks" also.
* Plus 25c. on arrears payable July 3.
a Plus $1.50 on arrears payable July 2.
▲ On account of arrears.
* Plus extra of 87½c. paid Jan. 31.

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)
June 5, 1934

	Int. Rate	Due	Bid	Asked
Public Utility Issues:				
Beauharnois L. H. & Pwr.	5½%	1973	99½	101½
Beauharnois Power Corp.	6%	1959	71	74
Beauharnois Power Corp.	5%	1973	56½	59
Bell Telephone	5%	1955	107	109
Bell Telephone	5%	1957	109	110½
B. C. Power	5%	1960	98½	101
B. C. Power	5½%	1960	102½	104½
B. C. Telephone	5%	1960	102	104
Calgary Power	5%	1960	96½	99
Canada Northern Power	5%	1953	96½	99
Cedars Rapids Mfg. & Power	5%	1953	110½	112
Dominion Gas & Electric	6½%	1945	66	68½
Dom. Telegraph	5½%	1978	97	..
Duke-Price Power	6%	1966	96½	99
Gatineau Power	5%	1956	93	95
Gatineau Power	6%	1941	90	92
International Hydro-Electric	6%	1944	58	61
Jamaica Public Service	5%	1950	97	99½
Maclaren-Quebec Power	5½%	1961	100½	102½
Manitoba Power	5½%	1951	62	65
Montreal Island Power	5½%	1957	100¼	102¼
Montreal L. H. & Power	5%	1951	108	109½
Montreal L. H. & Power	5%	1970	108	109½
Montreal Public Service	5%	1942	106½	108½
Montreal Tramways	5%	1955	81½	83½
Montreal Tramways	4½%	1955	75½	78½
Montreal Tramways	5%	1941	98½	100½
Nat. Light & Power	6%	1949	79	82
N. B. Power	5%	1937	73	76
Northwestern Utilities	7%	1938	99	101
N. S. Lt. & Power	5%	1958	96½	99
Ottawa L. H. & Power	5%	1957	101	103
Ottawa Valley Power	5½%	1970	105	106½
Provincial Light & Power	5%	1946	106½	..
Quebec Power	5%	1968	99½	102
Rio de Janeiro T., L. & Pwr.	5%	1935	104	106
Shawinigan Water & Power	6%	1937	101½	103
Shawinigan Water & Power	4½%	1970	92	94
Shawinigan Water & Power	5%	1970	100	102
Southern Canada Power	5%	1955	103	105
United Securities	5½%	1952	86	89
W. Kootenay Power	5%	1956	104½	106
Western Power Co.	5%	1949	102	104
Winnipeg Electric	5%	1935	92	95
Winnipeg Electric	6%	1954	46	49
Industrial and Realty Issues:				
Abitibi P. & P.	5%	1953	40½	42½
Abitibi P. & P. C.O.D.'s	5%	1953	37½	39½
Acadia Sugar	6%	1946	101	103
Alberta Pacific Grain	6%	1946	69	72
Algoma Steel	5%	1962	14	16½
American Sales Book	6%	1939	100	..
Asbestos Corp.	5%	1942	101	..
Atlantic Sugar	5%	1941	94	..
Balfour Building	6%	1943	47	..
Belding-Corticelli	5%	1936	101	..
Bloor-St. George Realty	7%	1946	40	..
Booth Buildings	6½%	1937	98	..
Brandram-Henderson	6%	1936	89	..
British American Oil	5%	1945	103½	105½
British Columbia Pulp & Paper	6%	1950	65	68
Brown Co.	5½%	1946	49	51½
Burns & Co.	5½%	1948	34	38
Canada Bread	6%	1941	94	97
Canada Cement	5½%	1947	94½	96½
Canada Paper	6%	1945	90	..
Canada Steamship	5%	1943	90	..
Canada Steamship	6%	1941	30	32
Canadian Canners	6%	1950	102½	..
Canadian Cons. Felt	6%	1940	86	..
Canadian Copper Refiners	6%	1945	107½	110
Canadian Cottons	5%	1940	101	..
Canadian Goodrich	7%	1943	45	..
Canadian International Paper	6%	1949	70	73
C. P. R.	6%	1942	109	111
C. P. R.	4½%	1944	90	92½
C. P. R.	5%	1954	98½	100
Can. Rail & H. Term.	6½%	1951	25	28
Canadian Vickers	6%	1947	..	56
Cons. Investment	4½%	1959	79	..
Consolidated Paper	5½%	1961	21	23
Cosmos Imperial	6½%	1944	100	..
Debenture & Security	4%	1936	74	..
Dominion Canners	6%	1940	106	..
Dominion Square Corp.	6%	1948	56	59
Dominion Tar	6%	1949	91	93
Dominion Textile	6%	1949	107	..
Donnacona Paper	5½%	1948	50½	53
Eastern Dairies	6%	1949	71	74
Eaton, T., Realty	5%	1949	97½	99½
Famous Players	6%	1948	91	94
Famous Players	6½%	1948	74	77
Federal Grain	6%	1949	72	75
Firestone Tire	7%	1937	100	..
Fraser Companies	6%	1950	45	48
French Nat. Mail S.S.	6%	1952	159	..
Galt Brass	7½%	1941	34	..
General Brock Hotel	6%	1948	27	30
General Steel Wares	6%	1952	88	90
Godfrey Realty	6%	1942	49	..
Great Lakes Paper	6%	1950	39	41
Gypsum, Lime & Alabastine	5½%	1948	78½	81
Hamilton By-Products Coke	7%	1943	100½	103½
Hamilton Cotton	5½%	1948	86	..
Hinde & Dauch	5½%	1948	85	..
Hydro-Elec. B. & S.	5%	1957	86	..
International P. & P. Nfld.	5%	1968	90	93
Inter-City Baking	5½%	1948	83½	86½
Lake St. John Power & Paper	6½%	1947	60	64
Lake St. John Power & Paper	6½%	1942	27	29½
London-Canadian	4½%	1948	74	77
London Realty	6%	1950	71	74
Lord Nelson Hotel	4%	1947	60	63
Maple Leaf Milling	5½%	1949	37	39
Massey-Harris	5%	1947	70	72½
McColl-Frontenac	6%	1949	102	104
McKinnon Industries	6½%	1945	100	103
Mercury Mills	5½%	1953	73	..
Metropolitan Building	7%	1944	98	..
Minn. & Ont. Paper	6%	1945	22	24
Montreal Coke	5½%	1947	102	104
Montreal Cottons	5%	1948	95	..
Northern Electric	5%	1939	104	..
Northern Ont. Bldg.	6½%	1939	94	..
Ontario Building	6½%	1943	39	42
Pacific Burt	6½%	1937	100	..
Penmans	5½%	1951	106	..
Price Bros.	6%	1943	99½	102
Prov. Paper	5½%	1947	96	98½
Queen's Hotel	6%	1947	72	..
Reliance Grain	6%	1948	85	88
Restigouche Co.	5½%	1948	72	75
Richmond-Bay Bldg.	6½%	1947	82	..
Riordon Pulp & Paper	6%	1942	100	..
Ritchie Cut Stone	6½%	1948	74	..
Rolland Paper	5½%	1948	95½	97½
Ruddy, E. L.	6½%	1948	70	..
St. Lawrence Flour	6%	1941	100	..
Shawinigan Cotton	6%	1949	88	..
Simpson's Ltd.	6%	1949	97	99
Smith, Howard	5½%	1953	95½	98
Steel Co. of Canada	6%	1940	107	..
Stop & Shop	6%	1947	90	94
Toronto Carpet	6%	1944	99	102
United Amusement	6%	1942	89	..
United Corpns.	5%	1953	79	..
United Gas & Fuel	5½%	1948	87	89½
United Grain Growers	5%	1948	81	..
Wabasso Cotton	6%	1947	95	..
Wabasso Cotton	7%	1942	95	..
Windsor Hotel	6½%	1943	71	74
Woods Mfg.	6%	1943	84	..

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto
June 6, 1934

	Rate	Due	Bid	Asked	Approx. Yield
*†Dominion	5	1 Mar., 1937	107.00	107.50	2.15
†Dominion	5½	1 Dec., 1937	109.50	110.00	2.50
Dominion	5½	1 Nov., 1934	100.85	101.10	2.80
Dominion	3½	15 Oct., 1935	101.00	101.50	2.31
Dominion	4	15 Oct., 1935	101.75	102.25	2.22
Dominion	5	15 Nov., 1936	105.25	105.75	2.60
Dominion	4	15 Oct., 1939	103.50	104.00	3.18
Dominion	4½	1 Sept., 1940	106.25	106.75	3.30
Dominion	5	15 Nov., 1941	108.50	109.00	3.60
Dominion	5	15 Oct., 1943	109.00	109.50	3.80
Dominion	4½	15 Oct., 1944	106.25	106.75	3.72
§Dominion	4	15 Oct., 1943-45	102.50	102.75	3.65
Dominion	4½	1 Feb., 1946	106.25	106.75	3.80
§Dominion	4	15 Oct., 1947-52	102.25	102.75	3.74
§Dominion	4½	1 Nov., 1946-56	105.25	105.75	3.91
§Dominion	4½	1 Nov., 1947-57	105.25	105.75	3.95
§Dominion	4½	1 Nov., 1948-58	105.50	106.00	3.94
§Dominion	4½	1 Nov., 1949-59	105.75	106.25	3.99
(with talons)					
Dominion Guaranteed Bonds					
xCan. Nat. Ry.	4½	1 Sept., 1951	108.25	108.75	3.81
*Can. Nat. Ry.	4½	1 July, 1957	107.00	107.50	4.01
Can. Nat. Ry.	5	1 Feb., 1954	112.00	112.75	4.07
xCan. Nat. Ry.	4¾	15 June, 1955	110.75	111.50	3.94
xCan. Nat. Ry.	4½	1 Feb., 1956	108.25	108.75	3.90
xCan. Nat. Ry.	4½	1 Dec., 1968	106.00	106.50	4.14
§xCan. Nat. Ry.	5	1 Oct., 1969	113.75	114.25	4.00
§xMontreal Harbour Cm.	5	1 Nov., 1969	114.00	114.75	3.97
Provincial Government Bonds					
*Alberta	4½	1 Oct., 1956	88.50	89.50	5.30
Alberta	6	1 Mar., 1947	101.00	102.50	5.75
*British Col.	4½	1 Oct., 1953	86.50	87.50	5.55
British Col.	5½	1 Feb., 1945	96.00	97.00	5.37
British Col.	6	15 Feb., 1947	99.00	100.00	6.00
xManitoba	5	2 Dec., 1959	96.00	97.00	5.22
Manitoba	5½	1 Oct., 1955	97.50	98.50	5.62
Manitoba	6	1 Apr., 1947	100.00	101.50	5.82
*N. B.	4¾	15 Apr., 1960	105.00	106.50	4.33
N. B.	5	2 July, 1963	110.00	111.50	4.31
N. B.	5½	15 May, 1950	111.00	112.00	4.40
N. Scotia	4½	15 May, 1943	103.75	104.75	3.87
*N. Scotia	5	1 Mar., 1960	112.00	113.00	4.16
xOntario	4	1 June, 1962	101.00	102.00	3.88
xOntario	4½	1 Sept., 1944	107.75	108.50	3.53
Ontario	4½	1 June, 1950	105.00	105.75	4.01
xOntario	5	2 Dec., 1960	114.75	115.50	4.04
Ontario	5½	1 July, 1946	113.00	114.00	4.07
§Ont. H. C.	3½-4-5	1 Oct., 1952	97.00	98.00	4.05
xOnt. H. C.	4	1 Aug., 1957	100.75	101.75	3.89
Ont. H. C.	4¾	1 Jan., 1970	110.00	111.00	4.16
Quebec	4¼	1 Aug., 1958	103.50	104.50	3.96
Sask.	5	1 Aug., 1958	89.50	90.50	5.72
*Sask.	5	1 Nov., 1959	89.50	90.50	5.71
Sask.	5½	1 Oct., 1952	95.00	96.00	5.86
Sask.	6	15 Mar., 1952	98.00	99.00	6.09
Municipal Bonds					
*Calgary	5½	2 June, 1944	91	94	6.29
*Edmonton	5½	1 Nov., 1945	90	93	6.37
*Halifax	5	1 July, 1961	107½	109	4.43
Hamilton	5	1 May, 1950	108½	110	4.14
Montreal	5	1 Mar., 1945	102½	103½	4.62
Ottawa	4½	1 July, 1945	104½	105½	3.90
*Quebec	5	1 June, 1959	102½	104	4.72
Regina	5	1 July, 1944	80	86	6.90
St. John	5	15 Dec., 1950	106	108	4.33
*Toronto	4½	1 Jan., 1955	106½	106½	4.03
Victoria	5	21 July, 1945	91	94	5.72
Winnipeg	5	1 Mar., 1944	93	96	5.52

† Tax Exempt Issues. *Payable in Canada and New York. x Payable in Canada, New York and London. Yields are calculated on offering prices.
§Yield at call price.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Acadia Sugar pfd.	30c	7½c	June 1	May 19
Do., on arrears	....	7½c	June 1	May 19
Assoc. Breweries pref.	$7	$1.75	July 1	June 15
Acme Glove, pref.	6½%	1⅝%	June 15	May 28
Agnew-Surpass, pref.	$7	$1.75	July 3	June 15
Bell Telephone	$6	$1.50	July 16	June 23
Belding-Corticelli, pref.	$7	$1.75	June 15	May 31
Bank of Nova Scotia	$12	$3	July 3	June 15
Brazilian Tr., pref.	6%	1½%	July 3	June 15
Brit. Amer. Oil (17)	80c	20c	July 2	June 16
Bright, T. G.	30c	7½c	June 15	May 31
Do., pref.	6%	1½%	June 15	May 31
Bulolo Gold Dredging	...	60c	June 30	June 4
Canadian Oil, pref.	$8	$2	July 1	June 20
Canada Malting (26)	$1.50	37½c	June 15	May 31
Cons. Diver. Std. Secs., pfd.	50c	[illegible]c	June 15	June 1
Can. Canners, 1st pfd.	6%	1½%	July 3	June 15
Do., convert., pfd.	30c	7½c	July 3	June 15
Can. Cottons c	$4	$1	July 4	June 15
Do., pref.	$6	$1.50	July 4	June 15
Can. Northern Power	$1	25c	July 25	June 30
Do., pref.	$7	$1.75	July 16	June 30
Can. Perm. Mtge.	$8	$2	July 3	May 15
Can. For. Invest.	...	25c	July 1	June 20
Do., pref.	8%	2%	July 1	June 20
Dominion Glass	$5	$1.25	July 3	June 15
Do., pref.	$7	$1.75	July 3	June 15
Dominion Stores	$1.20	20c	July 2	June 15
Dominion Bank	10%	2½%	July 3	June 20
Domé Mines	$2	50c	July 20	June 30
Do., bonus	..	$1.50	July 20	June 30
Dominion Textile, pref.	$7	$1.75	July 16	June 30
Do., com.	$5	$1.25	July 2	June 15
Falconbridge Nickel	..	5c	June 29	June 15
Fanny Farmer	$1	25c	July 2	June 25
Do., pref.	$2.40	60c	July 2	June 25
Goodyear Tire	$5	$1.25	July 3	June 15
Do., pref.	$7	$1.75	July 3	June 15
Hollinger Gold	65c	1+1%	June 18	June 1
Hamilton Un. Theatres, pfd.	7%	1¾%	June 30	May 31
Howey Gold Mines	...	3c	July 2	May 31
Huron & Erie Mtge. (187)	6%	1½%	July 3	June 15
Inter. Proprietaries A	$2.60	65c	June 15	May 23
Inter. Nickel, com.	..	10c	June 30	May 31
Inter. Nickel pref.	7%	1¾%	Aug. 1	July 3
Imperial Tobacco, c.	35c	8¾c	June 30	June 6
Lake Shore Mines	$2 50+50c		June 15	June 1
Land. Banking & Loan	6%	1½%	July 3	June 15
Marcus Loew's Theat. pfd.	....	1¾%	June 30	June 15
Mitchell, J. S., pfd.	7%	1¾%	July 3	June 15
Montreal C. & D. Bk.	$12	$3	July 3	June 15
Do., bonus	$2	$1	July 3	June 15
Montreal Cottons, pfd.	7%	1¾%	June 15	May 31
Monarch Knitting, pfd.	...*	$1	July 3	June 15
Montreal Loan & Mtge.	$3	75c	June 15	May 31
McColl-Frontenac, c.	80c	20c	June 15	May 15
Nat. Breweries	$1.60	40c	July 2	June 15
Do., pref.	$1.75	44c	July 2	June 15
Northern Ont. Power	$2	50c	July 25	June 30
Do., pref.	$6	$1.50	July 25	June 30
Noranda Mines	...	$1	June 30	June 13
National Biscuit c.	$2	50c	July 14	June 15
Niagara Wire Weav., pfd.	$3.00	75c	July 2	June 15
Do., on arrears	...	$1.50	July 2	June 15
Ontario Loan & Deb.	$6	$1.50	July 3	June 15
Photo Engravers, c.	$1	50c	Sept. 1	Aug. 15
Pioneer Gold	60c	15c	July 3	June 2
Premier Gold Mine	12c	3c	July 16	June 15
Reliance Grain, pref.	6½%	1⅝%	June 15	May 31
Riverside Silk	$1	25c+*25c	July 3	June 15
Southern Can. Power, pfd.	6%	1½%	July 16	June 20
Siscoe Gold Mines	12c	3+1c	June 30	June 15
Steel of Canada	$1.20	30c	Aug. 1	July 7
Do., pref.	$1.75	43¾c	Aug. 1	July 7
Supertest Petroleum A pfd.	7%	1¾%	June 30	June 15
Do., B pref.	6%	1½%	June 30	June 15
Do., com. & ord.	$1	25c	June 30	June 15
Sylvanite Gold Mines	20c	5c	June 30	May 26
Toronto Elevators, pfd.	$7	$1.75	July 16	July 3
Tuckett Tobacco, pfd.	$7	$1.75	July 15	June 30
H. Walker—G. & W., pfd.	$1	25c	June 15	May 25
West. Can. Flour, pref.	$3	75c	June 15	May 31
Wright-Hargreaves	40c	10c	July 2	June 9
Do., extra	...	5c	July 2	June 9

* On arrears. † 4 months.

Dividend Rate Increased—
Dome Mines, July 20, $1 to $2 per annum.
Dominion Textile, com., July 2, $4 to $5 per annum.
McColl-Frontenac, c., June 15, 60c. to 80c. per annum.

Dividends Resumed—
Photo Engravers 50c. Sept. 1. Last paid June 1, 1932.
Acme Glove, pref. 81¼c June 15. Last paid Dec. 15, 1930.
Marcus Loews Theat., pref., 1¾% June 30.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto.
June 5, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	2.75	3.15
Acadia Sugar pfd.	4.60	5.10
Allens London pfd. bonus c.	34.50	....
Allens St. Cath. pfd. bonus c.	34.00	....
Allens Toronto pfd. bonus c.	21.50	....
Andian National ex div.	34.25	35.50
Atlan. Sugar pfd.	89.00	93.00
B.C. P. & P. pfd.	5.50	8.50
Burns pfd. bon. c.	5.00	7.00
Can. Dom. Sugar	47.00	48.25
Can. Machinery c.	1.00	1.50
Can. Machy. pfd.	10.50	15.00
Canada Packers c.	38.50	39.50
Can. Packers pfd.	101.50	102.50
Can. Starch c.	7.00	....
Can. Starch pfd.	77.00	....
Can. W. & Cable pfd. WW	76.00	79.00
Can. Indust. A	150.00	....
Can. Indust. B	150.00	160.00
Can. Indust. pfd.	135.00	143.00
Can. Westing'se	45.00	47.50
Chase pfd. bon. c.	20.50	24.00
Claude Neon Gen. Adv. Units	4.00	5.50
Comm. Fin. pfd. bonus c.	9.50	....
Copeland Fl. Mills Units	5.00	6.50
Dom. F. & Steel c.	9.00	10.50
Dom. F. & Steel p.	68.00	71.00
Dom. Manufact. p.	60.50	....
Dom. Woollens c.	2.65	3.25
Dunlop Tire pfd.	66.00	70.00
East. Dairies pfd.	10.00	13.00
Fed. Grain pfd.	14.50	17.00
For. Power Sec. pf.	9.50	12.50
Freiman pfd.	60.00	....
Gen. St. Wares pf.	28.25	30.00
Goderich Elev. & Trans.	7.25	8.50
Greening Wire pf.	65.00	70.00
Guelph Carpet pf.	80.00	81.25
Guelph Carpet c.	11.00	15.00
Harding Carpets Units	23.50	27.50
Hayes Wheels pfd.	8.00	12.00
Highland Dairy c.	3.25	6.00
Highland Dairy p.	65.25	....
Inter City Bak. c.	13.00	15.50
Inter. Paints pfd.	15.00	17.00
Inter. Propriet. A	33.50	35.00
Loew's Lond. pfd.	3.50	4.15
Loew's Toronto p.	70.00	76.00
MacLaren Pwr. & P. c.	16.50	....
Mansfield Thea. p.	27.00	30.50
Massey-Harris pf.	17.00	19.00
Nat. Grocers c.	4.00	4.50
Nat Grocers pfd.	....	112.00
New Meth. Laund. pfd.	43.00	....
Niagara Wire Weav. pfd.	36.50	....
Para. Kitchener p.	33.50	....
Para. Oshawa pf.	40.50	....
Prov. Paper pfd.	84.00	88.00
Reliance Grain pf.	50.00	53.00
Rob. Consol. Cone	7.50	8.75
Rolland Paper pfd. WW	75.00	78.50
Ruddy, T. L., pfd.	14.50	....
Serv. Sta. A pfd.	50.00	53.50
Stand. Fuel pfd. bonus	89.00	92.00
Supersilk pfd.	58.00	....
Supertest Pet. B pfd.	23.00	25.00
Thayers com.	6.50	7.25
Thayers pfd.	40.50	42.00
United Corpns. A	12.50	14.00
United Corpns. B	4.40	5.25
West. Grain pfd. bonus	5.00	7.00
Willards Choc. pf.	6.50	11.00
Wood, Al. & James pfd.	21.50	25.00

Insurance Stocks:	Bid	Asked
Brit. Amer. Assce.	29.00	....
Canada Life	431.00	440.00
Can. Fire	55.50	59.00
Confed. Life 20% pd.	122.00	126.00
Cont. Life 20% pd.	37.00	42.00
Crown Life	101.00%	....
Dominion Fire	85.50	....
Dom. Life 50% pd.	165.00	....
Dom. of Can. Gen. Ins.	100.00	104.50
Empire Life 25% pd.	9.00	11.50
Excel. Life 30% pd.	73.00	78.00
Federal Fire 25% pd.	35.00	....
Great-West Life	331.00	350.00
Guar. of N. A. fully paid	200.00	224.00
Guar. of N. A. 20% pd.	40.50	....
Imperial Life	286.00	....
Manufac. Life	222.00	227.00
Monarch Life 10% pd.	17.50	21.00
National Life 25% pd.	50.00	55.00
Sov. Life 25% pd.	15.00	18.00
Sun Life	395.00	410.00
Traders Fin. A pf.	43.00	....
Western Assur. c.	29.00	....
Western Assur. p.	32.00	....
Western Life 20% pd.	9.00	11.50
Trust & Loan Stocks:		
Br. Mtge. & Tr.	131.50	139.00
Chartered Trust	65.00	70.00
London & West. Trust	....	41.00
Premier Trust	88.00	....
Sec. Loan & Sav.	100.00	....
Sterling Trust	....	46.00
Trusts & Guar.	39.00	44.00
Vic. Tr. & Sav.	121.00	130.00
Waterloo Tr. & Savings	76.00	....
Investment Trust Shares:		
Can. Gen. Invest.	5.40	5.80
Can. Int. Inv. Tr. Units	20.00	23.00
Can. Invest. Fund	3.25	3.45
Can. Investors	5.50	6.15
Cons. Div. Stand. Sec. pfd.	12.00	13.50
Debenture & Sec. pfd.	20.50	....
Dom. & Anglo Inv. Units	190.00	....
Dom. Scottish Inv. Units	22.50	26.00
Invest. Foundation Units	38.00	42.00
Sec. Holding Un.	7.50	11.50
Power Issues:		
Calgary Pwr. pfd.	89.00	91.50
Can. L. & P. com.	21.00	24.50
Can. W. Nat. Gas LH&P pfd.	90.00	93.00
Gr. Lakes Pr. pf.	35.00	44.00
Inter. LH&P pfd.	2.50	....
Marit. T. & T. pf.	11.65	12.75
N. B. Tel. com	9.60	10.25
N.S. L&P com.	33.00	35.00
N.S. L&P pfd.	84.00	....

Recent London Quotations:

Brit. Col. Tele., pfd.	$100
Brew. & Distillers	6/6d.
Can. & For. Secs.	5s. 6d.
Can. Collier, A, inc. stk.	38
Do., B	7½
Can. N. W. Land	$1⅛
Can. West. Lumber	2s.
Hudson's Bay	26s. 3d.
Do., 5% pref.	102s 6d.
Internat. Holdings	$1⅛
Nfld. Pr. & Pap. deb. stock B 5½%	103
Tor. Sub'an 4½% deb. stk.	20
Trust and Loan (15s. pd.)	11d.

Winnipeg Stock Exchange

(Transactions for week to May 31)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close May 31
..	..	Forty-Four	35	10.25	10.00	10.25
..	..	Gabrielle	700	.52	.51½	.52
..	..	Gold Eagle	4,000	.28	.28	.28
..	..	Home Investment	30	20	20	20
..	..	Island Lake	2,000	.10½	.10	.10½
..	..	Manitoba & Eastern	700	.21	.20½	.20½
..	..	McLeod Cockshutt	500	.45½	.45½	.45½
..	..	Pickle Crow	7,000	1.00	.72½	1.00
..	..	Scotia Gold	1,000	.30	.30	.30
1	9.7	United Gr. Growers	3	10¼	10¼	10¼
..	..	Wallace Lake	500	15	15	15

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumber, pfd.	..	68
Do., com.	..	3½
Crescent Cream. pfd.	28	..
Federal Grain pref.	15	17
Home Investment	20	..
Monarch Life	..	20½
Northern Trust	10	..
Pelissiers, c.	½	..
Pelissiers, pref.	..	23
Sov. Life 25% pd.	..	17
Traders' Bldg.	60	..
West. Breweries	.90	1.10
Can. Amer. Tr. shs.	2½	3½
Can. Inv. Fund	....	3.45
Fundamental Ser. A	..	4½
Fundamental Ser. B	3½	..
Grouped Inc. shs.	..	4.15

* Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending June 4, 1934

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1934 High	Low
McNish	6	1948	...	3.00	3.25	3.00	4.25	3.00
Mtl. L.H.&Pr. debs.	3	1939	3.54	46½	47½	46½	47½	43⅝
Unlisted								
Cons. Paper	5½	1961	...	...	23	...	25	19½

GOV'T DEBTS JUMP 39.4 p.c. IN 10 YEARS

$1,716,106,539 Increase of Debt Between 1923 and 1933

PROVINCES SPENDERS

Total Per Capita Government Debt $577.80 in 1933 — Dominion Leads Per Capita

Combined net funded debt of all Canadian governmental borrowers increased $1,716,106,539, or 39.4 per cent, between 1923 and 1933, according to a recently released report of the Citizens Research Institute of Canada. At the end of the period, net governmental debt per capita was $577.80, amounting to over $2,600 for the average family, according to the Institute's calculations.

Rapid expansion of the debts of the provinces in the period is a striking feature of the report. Combined, the nine provinces increased their net debt $597,438,700, or 96.1 per cent. Municipal debt increased 42.5 per cent in the same period, and the Dominion debt, including the C.N.R. rose 26.4 per cent.

In per capita debt, the Dominion was far in the lead in 1933 with a figure of $349.74. For the provinces the figure was $116.06, and for the combined municipalities $112.

P.E.I. Led Increase

Little Prince Edward Island led in percentage increase in net funded debt in the period. But this still left it with the second smallest per capita debt, following Quebec.

The following ranking, by percentage increase of net debt, and by per capita debt in 1933, shows the standing of each of the provinces, of the combined municipalities, and of the Dominion:

Order of Percentage Net Debt Increases	Increase %	Order of Per Capita Debts in 1933	Debt per cap. $
1 P. E. I. ..	228.0	1 Dom'n ...	349.74
2 Sask.	160.6	2 Alta.	179.95
3 N. S.	153.0	3 B. C.	169.08
4 Ont.	103.7	4 Ont.	149.22
5 N. B.	103.0	5 Man.	147.92
6 Alta.	102.7	6 N. B.	134.97
7 Que.	69.9	7 Sask.	132.01
8 B. C.	56.0	8 N. S.	123.16
9 Man.	55.4	9 Mun's ...	112.00
10 Mun's	42.5	10 P. E. I. ..	34.04
11 Dom'n	26.4	11 Que.	33.47

Economists' Suggestions

The foregoing table indicates that the figures may be misleading in some respects. Prince Edward Island illustrates the point. Statistically, the Institute's study would have been of greater value if it had been compiled to show the relationship of the increased cost of servicing net debts to the income of the various areas, according to economists.

Economists contend that the cost of the debt is more important than its bulk. This would be indicated by the rate of interest. Then, they say, to measure the real increase in the burden, comparisons should be made of the cost to the income of the people affected.

The Institute states in its report that it would have preferred to compare the growth of wealth with the growth of debt, but that figures were available only to the end of 1929, and would have been misleading. Economists consulted by The Financial Post, feel that a comparison of income and the cost of servicing the debt would be even better than a comparison of debt with wealth.

It is noteworthy that the decline of the national income in the depression period would show an extremely heavy government debt burden in Canada, if the type of comparison favored by economists were made.

The Institute's figures for net debt allow for sinking fund deductions. No allowance is made, however, for self-supporting public services, because their earnings vary, and "it was felt that it was advisable to indicate the possible load" that taxpayers might have to bear.

Figures were taken for fiscal years ended in 1923 and 1933. Although many of the fiscal years do not coincide, the Institute feels that the figures give a comparatively true picture.

For simplification, The Financial Post has condensed the large table of debt and budget experience compiled by the Institute, as follows:

	Net funded debt Fiscal years ended 1933 $	1923 $	Increase in period %	Net debt per cap. 1933 $	Budget surplus (+) or deficit (—) in period* $
†Dominion	3,674,383,291	2,906,821,654	26.4	349.74	+31,164,601
Pr. Ed. Island	2,995,293	913,136	228.0	34.04	—784,543
Nova Scotia	63,180,607	24,970,034	153.0	123.16	—6,340,868
New Brunswick	55,203,735	27,197,312	103.0	134.97	—3,263,277
Quebec	97,191,657	57,196,281	69.9	33.47	+7,972,759
Ontario	516,167,468	253,379,056	103.7	149.22	—13,849,252
Manitoba	104,282,917	67,129,223	55.4	147.92	—2,808,326§
Saskatchewan	‡128,181,730	49,194,430	160.6	132.01	—10,549,521
Alberta	133,160,779	65,679,265	102.7	179.95	—8,051,961
Br. Columbia	*119,030,820	76,297,009	56.0	169.08	—22,734,949•
Total provinces	1,219,394,446	621,955,746	96.1	116.06	—60,399,938
Total prov. & Dom. ...	4,843,777,737	3,528,777,400	38.7	465.80	—29,235,337
Municipal	1,176,635,117	825,528,915	42.5	112.00	....
Grand total	6,070,412,854	4,354,306,315	39.4	577.80	....

*Includes sinking fund payments, and excluding deferred subsidy. †Including C. N. R. §Cash collections only. ‡Includes treasury notes for capital exps. and relief. *Includes P. G. E. Ry. debt. •Includes s. f. and cap. exps. charged to current.

The comparatively small accumulated deficit, and the heavy increase in debt, indicated that the governments were making heavy capital commitments. It may also be partly accounted for by charging of what might be classed as current expenditures into capital account. It is noteworthy that Quebec alone had a net surplus over the period.

Queries For Reader

As a conclusion to its study, the Institute puts these queries to the reader:

1. In view of the above figures showing large increases in net debenture debts, and also continued deficits on current operations for many of the governments in Canada, if the governmental spending theory of prosperity which now seems to attract so many adherents is sound, how is it that Canada has suffered any depression?

2. Is not a continuous yearly deficit on current operations a clear indication that the expenditure load is greater than the community can carry?

3. If this is so, does additional borrowing sound like a sensible solution of the problem, or should expenditures be cut to the level of existing revenues?

4. How can governments go on year after year spending more than they collect out of current revenues without meeting the inevitable day of reckoning which comes to individuals who attempt to pursue such a course?

5. With the return of more buoyant governmental revenues, instead of this being seized upon as an excuse for governments to expand expenditures, should not the following steps be taken?

a. Keep expenditures, current and capital, within the limit of income for a number of years.

b. Take steps to lighten the tax burden by a removal of so-called emergency taxes and increases in rates imposed in the last two or three years.

Interest in Indiana Oil Lands Acquired By Olga Gas & Oil

A progress report of Olga Gas & Oil Co. reveals the company is operating about 1,600 acres in Kent County, Ont., and are in addition holding for possible future workings potential oil and gas lands in Kent, Essex, Elgin and Brant Counties. From the four producing wells in Kent county, the company has marketed about 350,000 cubic ft. of gas daily to Southern Ontario Gas Co. Revenues have amounted to about $2,600 a winter month.

The report outlines new acquisitions of the company in Indiana, U.S. In this state they have a 51 per cent interest in leases covering 110,000 acres.

Sound Investment Trust Has Definite Features

Testing Period Sorting Weak from Strong — Principles for the Investor to Seek in Investment Trusts

"There is scarcely an investment trust in Canada which has not violated one of the fundamental principles of trust organization and operation," an authority commented recently to The Financial Post.

Diversification of investments and honest management have been chiefly responsible for the remarkable record of the British movement. But the original type of trust now exists, especially in Canada and the United States, side by side with many hybrid formations. While a number of these institutions, like trading and financial companies, embody certain trust characteristics they also include many other features of an alien nature.

Despite the publicity given to the investment trust during the years immediately preceding "the crash" there were then, and still are, numerous investors who are unaware of its distinctive features. Because of this situation it has been easy for the unscrupulous promoter to market his issues under this blanket title with little trouble. At the same time lack of knowledge on the part of investors has penalized companies which have been operated on sound and conservative principles.

While the events of the last few years have altered some of the minor provisions related to trust operations there have been no changes in fundamental principle. An investor buying an investment trust issue should look for the following features which are typical of the pure form of British management trust which has had a most successful record for over 60 years:

1. It is an association — incorporated or voluntary—in which a number of persons pool their funds for investment in a list of diversified securities.

2. There is a distribution of risk, and restriction, usually by percentages, as to employment of the trust's funds, such restriction to cover type of enterprise, type of security, and geographical location of investments.

3. A limitation of investment so as to avoid all responsibilities of control, management, finance direction, or other special interest in corporations whose securities are held.

4. The trust should be independent of a sponsoring house and should be free from outside influence of any nature.

5. Income should be the first consideration, capital appreciation secondary.

6. There should be a flexible portfolio and able and honest management so that a surplus may be accumulated.

Investment Trust Services

That many Canadian trusts do not possess all these characteristics is largely because the original form of this institution was remodelled in 1928 and 1929 to meet the speculative requirements of the period. The present situation in Canada, where over 50 per cent of the companies formed in these years are now inoperative, indicates the unfortunate results obtained from not following time-tested principles. Ill-timing, lack of experience, purchase of portfolio holdings at excessive prices, and dumping of securities must also be considered as attendant evils which have helped to weaken the trust structure in the Dominion.

The investment trust was originally developed to assist the average investor, who usually has little expert knowledge or time to analyze securities, in simplifying his investment problems. While many so-called trusts have proved of little real value in this respect an institution of this nature, correctly operated, should provide services like the following:

1. A saving for the shareholder through the economy of large trust purchases.

2. Elimination of much of the annoyance and detail involved in the supervision of a wide range of securities.

3. Marketability advantages; although not necessarily true for Canada.

4. Simplification of the investor's taxation problems.

5. Diversification, if correctly operated, ensuring greater strength than individual holdings.

Recent Changes

The two chief features of the Canadian trust development since 1930 have been the complete disappearance for the field of a number of units and trend toward consolidation among others. Both have been natural developments in the light of their original capital structures and the unusual strain which they have been subjected to in the last few years. The testing period through which we are now passing has been likened to that experienced by the British trusts in the 90's, and from which they emerged strengthened.

The present consolidation movement in Canada is following a like trend in the United States and is helping to strengthen the general field. Only by the elimination of a number of weak units organized under boom conditions, and which apparently cannot operate at a profit, can the present rather unsatisfactory situation be improved. Operating costs have been reduced in the merged units in most cases and there has also been a general firming of portfolio holdings. Another group of Canadian trusts, in order to adapt themselves to changed conditions of the period, have written down capitalization, although usually on a share exchange basis and with no new capital subscribed.

It is also expected that quiet departure from the field will be the method followed by a few units in the near future if operating results do not improve considerably. While the hopes of some investors will not be realized, it is felt that this development will help to greatly strengthen the movement as a whole. A greater emphasis is already being placed on income rather than capital appreciation and more consideration is being given to portfolio holdings than formerly.

Suggestions For Improvements

In a trust following the principles of the pure British form, there may be little to be gained from the publication of portfolio holdings. The investor places his funds in the hands of managers whom he depends upon to invest wisely and honestly. Most shareholders of Canadian trust issues can secure a list of the trust's holdings if they apply to the head office. On the other hand some improvement could be made by publication of more detailed particulars in annual or quarterly balance sheets.

Proposals to place the investment trust under the jurisdiction of the department of insurance, or to have them inspected like banks or bona-fide trust companies, have not met with general approval. Reform from within is considered more advisable and generally has the advantage of more expert consideration.

It is felt that an improvement in the Canadian field could be made by the establishment of an organization similar to the British Investment Trust Association. This body acts as a clearing house for member firms and has been of inestimable value to the individual investor as well as the trusts. An organization of this type in Canada, even on a decidedly moderate basis, would help in standardizing practices and clarifying the situation for the investor. Canadian banks, insurance companies, and investment bankers have trade associations of this nature which have helped them considerably, and it appears that investment trusts might co-operate on a somewhat similar basis.

Trusts Doing Better

The recent improvement in market prices has assisted the trusts and the majority of Canadian units in 1933 showed a rise in their net asset value but a decline in net income. Trading profits continue to be small and of little importance. A small return to trust shareholders continues to be the common practice.

Investment reserves, which were not given much consideration, in 1929, are commencing to gain prominence. The recent rise in general corporate profits is reflected in the resumption of dividends on a number of trust portfolio holdings. The practice of repurchasing senior securities was continued by a number of trusts throughout 1933 and with this reduction in charges it became customary to increase the surplus.

Necessary Features

Whether the investment trust will assume a position of importance in Canada comparable to that held in Great Britain it is difficult to state definitely at present. Although underlying conditions are somewhat different in the two countries, there seems no reason why this investment device, provided it is given a fair chance in a normal business period, should not prove its worth in the Dominion.

While this institution provides an essential service to the average investor, and one not provided by any other organization of a like nature, it has been handicapped in its growth in this country by certain unsound features which were characteristic of high finance in the Mad Decade.

The investment trust, to warrant confidence in the future, according to one well-known expert, must conform to the following general rules:

1. It must have an efficient and honest management.

2. The management must have no connection with any house of issue or any other interest which would influence its judgment in selecting investments.

3. The management must be independent of the group engaged in marketing the shares of the trust.

4. It must seek safety of principal and a sound yield primarily, appreciation of capital secondary.

5. It must be large enough to enlist the most capable management.

6. It must give adequate publicity to all its activities.

7. There must be a broad market for the trust's shares, which implies listing on a recognized exchange.

While it would be impossible to have all these provisions implanted at once, it is agreed that the improvement in the field now gradually taking place must be continued if the trust is to gain its rightful place. Besides the unfortunate factor of ill-timing, which is not wholly the fault of the organizers, many of these institutions in Canada were organized on mistaken principles and in a few cases on lines that indicated apparent intention to commit moral, if not legal, frauds. Cases of dishonesty in the Canadian field are relatively scarce but evidence is available to show that the majority of trusts were not operated on a basis consistent with the title under which they marketed their securities.

This is the final article in a series on the investment trust movement in Canada.

EXCHANGE RATE HELPS BARCELONA REVENUE JUMPS

Net Profit Almost Doubles 1932, But Not Converted

DIVIDEND SOON?

Recent Labor Troubles Indicate Higher Operating Costs For Present Year

Barcelona Traction, Light & Power Co. almost doubled its net revenue for the year ended Dec. 31, 1933, the 19th annual statement reporting $2,484,419, after bond interest, of $1,835,182, as against $1,810,292 in 1932 and $1,460,361 in 1931.

Gross revenue was up to $4,527,741 from $2,943,319 in the previous year. The very substantial increase over 1932 was due almost entirely to the improvement in exchange in converting the pesetas into dollars, but as this conversion to a great extent has not actually been realized owing to exchange restrictions in Spain, the revenue of the company was not considered wholly available for its requirements and directors decided not to pay dividends.

The Canadian dollar averaged 8.70 pesetas in 1933 as against 10.96 in 1932 and since the close of the fiscal year the rate has been still more favorable. Little difficulty was encountered in obtaining exchange for payment of ordinary commercial transactions but the company was unable to remit all the pesetas needed for financial requirements.

Dividends Possible

The hope is expressed in the report to the shareholders, however, that in the near future it will be possible to declare a small dividend on the share capital. If so it would be the first since 1931, when 50 cents was paid on the present shares.

Gross receipts from the companies operating in Spain showed only 1.44 per cent improvement over 1932 and this, states the report, was considerably reduced by increased operating expenses arising from additional taxation and higher wages demanded and secured by employees. During the present year, these increases are expected to materially add to the operating expenses of the company.

There was little actual loss from political and labor disturbances in 1933, it is reported, and the country now seems to be in a more settled condition. Although rainfall was below average, it was not necessary to utilize steam plants to maintain the base load.

Revenue

Revenue from all sources when converted into dollars was $4,527,741 as against $2,943,319 in 1932, while administration and legal expenses were reduced from $183,603 in the previous year to $144,545. The premium on bonds reduced amounted to $63,595 as against $48,667 in 1932. Slightly over $2,000,000 was added to previous surplus but this was offset by $2,000,000 placed in a suspense account, leaving the balance carried forward as $2,094,433, or slightly better than for the previous year.

Income and Surplus Account
Years Ended Dec. 31

	1933 $	1932 $
Rev. from all sources	4,527,741	2,943,319
Less:		
Admin. ex. legal fees	144,545	183,603
Prem. on bond red. w/o	63,595	48,667
Net revenue	4,319,601	2,711,049
Less: Bond interest ..	1,835,182	1,400,757
Net profit	2,484,419	1,310,292
Add: Previous surplus	2,010,014	1,099,722
Less:		
Trans. to gen. res. ..	400,000	400,000
Suspense acct.	2,000,000	
Bal. carried forward ..	2,094,433	2,010,014

Monthly gross earnings were on about the same level as for the year previous, the total in 1933 being 112,910,277 pesetas as compared with 111,301,962 in 1932 but there was a downward trend toward the end of the year, November and December both being below the earnings of the same months in 1932. Operating expenses on the other hand with the exception of February and December were up and the total for the year was 39,043,617 as compared with 37,609,586 in 1932. Net earnings month by month showed decreases in April, May, October and November, but were up in the other eight months with the total for the year very slightly higher in 1933. Total sales showed a decrease of 2.26 per cent, which loss was attributed to unsettled conditions.

Working Capital

	1933 $	1934 $
Current assets	9,513,599	5,219,387
Current liabilities ...	3,675,505	2,821,587
Working capital	5,838,094	2,397,800
Ratio	2.58—1	1.85—1

Current assets which amounted to $9,513,599 against $5,219,387 in 1932 were made up of mainly, cash on hand $6,632,202, compared with $2,391,941; accounts receivable, $1,880,324, or about the same as for the previous year; and inventory $1,001,073, which was down from $1,063,069 at the end of 1932. Current liabilities while up nearly a million dollars did not increase to anything like the same extent as the current assets and therefore the working capital showed a substantial gain from $2,397,800 in 1932 to $5,838,094 in 1933. Of current liabilities the largest item was accounts payable which amounted to $2,379,241 as against $1,955,550, bond coupons outstanding and accrued interest on funded debts, $750,402 as against $494,778 and bonds called for but not yet redeemed of $538,508 against $361,661.

Newsprint Situation in Condensed Form

Production

	1933 Tons	1932 Tons	Increase + or Decrease — Tons	%	Jan., Feb., Mar., 1934 Tons	1933 Tons
Canada	2,017,004	1,914,316	+ 102,688	+ 5.4	572,957	401,582
United States	946,374	1,008,588	— 62,214	— 6.2	241,434	218,594
United States and Canada..	2,963,378	2,922,904	+ 40,474	+ 1.4	814,391	620,176
Newfoundland	270,834	271,804	— 970	— 0.4	72,293	61,062
Mexico	16,367	12,683	+ 3,684	+ 29.0	3,991	4,018
Total North American......	3,250,579	3,207,391	+ 43,188	+ 1.3	890,675	685,256

United States Imports

	1933 Tons	1932 Tons	Increase + or Decrease — Tons	%	Jan., Feb., 1934 Tons	1933 Tons
Canada	1,545,292	1,533,314	+ 11,978	+ 0.8	257,219	194,847
Overseas	153,203	143,671	+ 9,532	+ 6.6	20,879	21,934
Newfoundland	94,946	112,842	— 17,896	— 15.9	15,238	9,043

Information covering the experience of members who are using the products of overseas newsprint mills will be supplied on request.

Consumption

(Of 434 leading newspapers as reported to A. N. P. A.)

1933 Tons	1932 Tons	Decrease — Tons	%	Jan., Feb., Mar., 1934 Tons	1933 Tons
2,146,279	2,254,878	— 108,599	— 4.8	583,717	496,106

Exports

	1933 Tons	1932 Tons	Increase + Tons	%	Jan., Feb., 1934 Tons	1933 Tons
United States	11,173	8,465	2,708	+ 32.0	3,363	770
Canada to Overseas	318,426	256,472	61,954	+ 24.2	46,635	34,493

Advertising

(52 major cities)

1933 Agate Lines	1932 Agate Lines	Loss— Agate Lines	%	Jan., Feb., Mar., 1934 Agate Lines	1933 Agate Lines
1,065,514,601	1,164,769,819	99,255,218	—8.5	266,890,495	226,859,561

Mining Concerns Newly Formed

Ace Gold Mines — Dom. Incorp. April 3; H. O. Calgary; Capit. author. 50,000 shs. of n.p.v.

Amalgamated Mill & Mines—Ont. Incorp. May 7; H. O. Toronto; Capit. author. 200,000 shs., of n.p.v.

Associated Gold Mining & Finance Co. — Que. Incorp. April 21; H. O. Montreal; Capit. author. $20,000,000, par $1.

Atigo Gold Mining Co.—Ont. Incorp. April 30; H. O. Port Arthur; Capit. author. 100,000 shs. of n.p.v.

Bathurst Gold Mines—Ont. Incorp. April 20; H. O. Ottawa; Capit. Author. 4,000,000 shs. of n.p.v.

Burmas Mines—Ont. Incorp. May 2; H. O. Toronto; Capit. author. $3,000,000 par value $1.

Chaudiere Gold Placers—Que. Incorp. April 19; H. O. Montreal; Capit. author. $99,000, par $1.

Concordia Gold Mining Co.—Ont. Incorp. May 12; H. O. Toronto; Capit. author. 3,000,000 shs. of n.p.v.

Contact Gold Mines—Dom. Incorp., April 23; H. O. Toronto; Capit. 5,000 shs. of n.p.v.

Ditton River Gold Mining Co.—Que. Incorp. April 19; H. O. 1,411 Crescent St. Montreal; Capit. author. $250,000, par $1.

Ensign Gold Mines—Ont. Incorp. April 30; H.O. Toronto; capit. author. 1,500,000 shares of n.p.v.

Federated Mining Corp.—Ont. Incorp. April 27; H. O. Toronto; capit. author. $5,000,000 of $1 par value shares.

Frontier Red Lake Gold Mines—Ont. Incorp. May 3; H.O. Toronto; capit. author. $3,000,000 par value $1.

Golden Arm Mines—Ont. Incorp. April 27; H. O. Red Lake; capit. author. $3,000,000, par value, $1.

International Titanium — Dom. Incorp. April 16; H. O. Toronto; Capit. author. 2,000,000 shs. of n.p.v.

James Kirkland Mines—Ont. Incorp. April 17; H. O. Toronto; capit. author. $3,000,000 par value $1.

Kawinogan Gold—Ont. Incorp. May 1; H.O. Toronto; capit. author. 4,000 shs. of n.p.v.

Killoran-Horne Mines—Ont. Incorp. May 4; H.O. Toronto; capit. author. $2,000,000 par value $1.

LaFonde Gold Mines—Ont. Incorp. April 12; H. O. Toronto; Capit. Author. 2,000,000 shs. of n.p.v.

Leader Gold Mines—Ont. Incorp. April 17; H. O. Toronto; Capit. Author. $100,000, par value $10.

Lois Lake Gold Mines—Ont. Incorp. April 24; H. O. Kirkland Lake; capit. author. $3,000,000, par value, $1.

Margo Mines—Ont. Incorp. May 4; H.O. Toronto; capit. author. 150,000 shs. of n.p.v.

de Mers Placers Ltd.—Dom. Incorp. May 9; H.O. Toronto; capital. author. 3,000,000 shs. of n.p.v.

Millar Lake Exploration Co.—Ont. Incorp. April 28; H. O. Toronto; capit. author. $100,000, par value $1.

Neswoba Mines—Ont. Incorp. April 27; H. O. Kirkland Lake; capit. author. $1,000,000, par value, $1.

Norbell Gold Mines—Ont. Incorp. April 27; H. O. Toronto; capit. author. $2,000,000 par value $1.

Novarada Mining Corp.—Dom. Incorp.; H. O. Montreal; Capit. Author. 5,000,000 shs.

Pike Consolidated Gold—Ont. Incorp. April 18; H. O. Toronto; Capit. Author. $1,000,000, par value $1.

Playfair Iron Mines—Ont. Incorp. May 3; H.O. Toronto; capit. author. 20,000 shs. of n.p.v.

Porcupine Watbron Gold Mines—Ont. Incorp. April 28; H. O. Toronto; capit. $2,000,000 par value $1.

Queen Lebel Gold Mining Co.—Ont. Incorp. April 26; H. O. Kitchener; capit. author. $3,000,000 par value $1.

Sigma Mines—Dom. Incorp. April 21; H. O. Dome Mines; Capit. author. 3,000,000 shs. of n.p.v.

South McKenzie Island Mines—Ont. Incorp. April 17; H. O. Toronto; Capit. Author. $3,000,000, par $1.

South Vermilion Gold Mines — Ont. Incorp. April 27, 1934; H. O. Toronto; capit. author. $1,500,000 par value $1.

Stabell Lake Gold Mines—Ont. Incorp. April 27; H. O. Toronto; capit. author. $2,500,000 par value $1.

Trafalgar Gold Mines—Ont. Incorp. May 10; H. O. Toronto; Capit. author. $3,000,000 of $1 par value.

Trident Gold Mines—Ont. Incorp. April 25; H. O. Toronto; capit. author. $100,000 par value $10.

Charters Surrendered

Cuniptau Mines Development Co.—Applied May 15, for surrender of Ont. charter bearing date July 17, 1933.

La Rose Mines—Surrendered Ontario charter dated 1907. Assets, 750,000 shares in La Rose Rouyn Mines, to be distributed to shareholders, subject to prior claim.

Porcupine Ores & Metals—Has applied for surrender of its Ontario charter on May 8.

Merged

Bellehumeur Mining Co.—Name changed by S.L.P. date May 7, 1934, to United Gold Exploration Ltd.

Oxford Lake Mines—Name of this company changed by S. L. P. patent dated April 30 Blouin Lake Gold Mines, and capitalization reduced from 6,000,000 shs. n.p.v. to 4,000,000 shs. n.p.v. by cancellation of 2,000,000 unissued shares.

ASK SERPENT BASIN FOR TAX ARREARS

Must Pay Up or Forfeit Rights, Whiskey Lake Company is Told

From Our Own Correspondent

MASSEY, Ont.—Whiskey Lake, 60 miles north of here, gold discovery of Jack Wilson, discoverer of Dome Mines, is again in the limelight. Notice has been served through the Mining Court of Ontario on Serpent Basin Mines, incorporated in 1928 and co-owners of the discovery strike (mining location W. K. 94) of the forfeiture of their rights under a vesting order of the mining court unless taxes and costs are paid by August 30, 1934. The revival of interest in this area, as evidenced by court proceedings, is due to the boom in gold; large rich gold nuggets having been discovered on the above property by Jack Wilson a few years ago.

Free gold appears on surface on the west shore of Whiskey Lake. The area is inaccessible except by canoe and portage from Massey. Above Whiskey Lake lies the Golden Portage of Serpent Lake, where there is another wide gold-bearing quartz exposure. The Whiskey Lake area is said by its discoverers to contain the promise of immense mineral possibilities.

Drumheller Collieries Bonds Accept 2-year Postponement

Holders of the $350,600 of outstanding seven per cent first mortgage bonds of Drumheller Consolidated Collieries have consented to a postponement of all interest and sinking fund payments for two years from Feb. 1, 1934, The Financial Post is informed.

At meetings in 1931, 1932, and 1933 bondholders consented to postponements, and the latest arrangement continues the policy.

The company's statement for the year ended June 30, 1933, showed a deficit of $34,884, after allowing $24,542 for bond interest and $6,563 for depreciation. Total deficit at June 30, 1933, stood at $140,327, including $71,580 of accrued and deferred bond interest. Current assets were $14,334, and current liabilities $128,294, including loan of $82,286 from Bank of Montreal. This left a working capital deficiency of $113,960.

Mines Department Loses Two Valuable Officials

The Federal Department of Mines at Ottawa has lost the services of two of its most outstanding men, with the resignation of Dr. J. F. Wright and T. W. Hardy, Jr.

Dr. Wright, geologist, is credited with launching the activity in God's lake area, Manitoba, by his report on that district. Since joining the permanent staff of the department in 1922, Dr. Wright has investigated and mapped the PreCambrian of Manitoba, and east central Saskatchewan. He leaves now to engage in private consulting practice.

T. W. Hardy, who has assumed an administrative position with Canadian Atlas Steel Co. Welland, Ont., has been in charge of the steel section of the department's ore dressing and metallurgical laboratories.

Chicoutimi School Commiss'n Pays Interest to June 1, 1934

School Commission of the city of Chicoutimi, Que., has been authorized to deposit with its bankers a sufficient amount to cover payment of coupons due Feb. 1, May 1, and June 1, 1934, according to the Quebec municipal commission.

Holders of the school commission's bonds are requested to present these coupons for payment in Quebec, Montreal, or Chicoutimi. Creditors holding overdue bonds, on which interest is still payable, are requested to register with J. E. Blackburn, Chicoutimi, so that cheques may be sent covering payment of such interest. Formalities necessary to obtain payment on overdue bonds will be explained by Mr. Blackburn upon request, it is stated.

Beaver Silver Pays Way From Smelter Returns

Of the authorized capitalization of 2,500,000 shares of 20 cents par, 1,853,860 were outstanding as at Jan. 31, 1934, annual report of Beaver Silver Mines states.

In submitting the balance sheet, directors state that while recovery of ore for shipment has not been as substantial as they had hoped for, net smelter returns have materially contributed toward development costs and additions to plant and equipment. Current assets are shown at $3,592 and current liabilities at $28,980, including loans of $27,760. The directors' report is signed by C. M. Oliver, R. E. Berry, H. C. Adams, W. F. Evans and J. G. Walker.

SEE MARE'S NEST IN UPROAR OVER ASBESTOS SHARES

Believe Attack is Aimed Personally at Col. Massie, President

The mare's nest that has been stirred up over the proposal to issue 10,000 common shares of Asbestos Corp. to its president, Lt.-Col. Robt. F. Massie, D.S.O., has resulted in a meeting being called for June 26, which promises to be an airing of personal grievances by those who seek to discredit the president. The trouble is said to date back to the time of the corporate reorganization in 1932, when drastic overhead reductions were made.

When President Col. Massie took charge in 1929, an unprecedented era of prosperity for the asbestos industry as a whole prevailed. The ruinous lack of business that followed later brought about the capital reorganization in 1932, that funded charges could be reduced and, also a general reduction in salaries, most drastic in the case of the president which was cut 70 per cent. At that time it was proposed that as part compensation he should be issued 2,500 shares annually over a period of four years dating from January, 1933, no allotment to be made until the end of the four-year period. At that time the common stock was selling at 40 cents per share. The plan was presented at the annual meeting this spring for the approval of shareholders, but owing to the stock having advanced to nearly $10 per share complications were involved that gave an opening for opposing factions and necessitated the general meeting called for June 26.

Personal Affair

Inasmuch as the share allotments were passed by the board on October 11, last, the existing opposition is seen as more of a personal attack on the president than a serious problem for the company. The fact that the shares are currently selling near $10 it is said can be attributed to a more or less artificial valuation put on by heavy buying from London. At the present time, having regard to its present earning position close students of the company cannot justify a $10 market valuation for the common shares.

At the time the offer was made to Col. Massie he was left free to use the shares in any way he saw fit and those closest to the situation are conversant with his plans to distribute a large part of it to key operating officials.

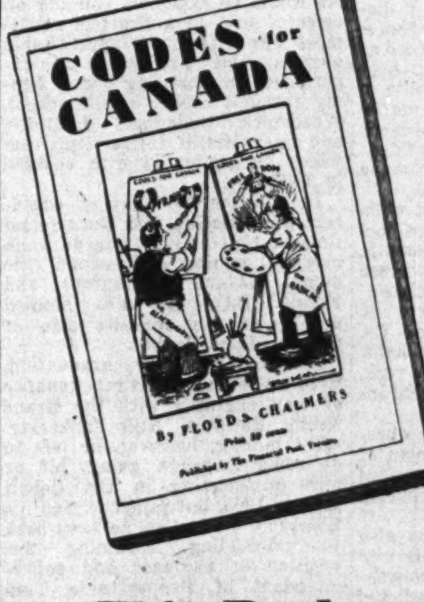
April Output For C. & E. Below Figures For March

Production and royalties from the producing wells on the lands of the Calgary & Edmonton Corp., amounted to 25,641 bbls. in April last as compared with 47,800 bbls. in March. The royalty paid amounted to $10,027 as compared with $11,465 in March.

Drilling in the limestone continues at the C. & E. Longview No. 1 well in the south end of Turner Valley and on May 30 last was at a depth of 6,049 ft. At this date the No. 1 well being drilled by Associated Royalties on C. & E. land stood temporarily suspended at a depth of 3,810 ft.

Alberta Oil Production 106,443 Bbls. in April

Alberta oil production in April amounted to 106,443 barrels of which 102,091 barrels was crude naphtha from Turner Valley field, 1,765 barrels of light crude from the Turner Valley field, 507 barrels of heavy crude from the Wainright field, and 2,080 barrels from the Red Coulee, Border and Keho fields.



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4. What is mass buying?
5. Are the big stores socially good?
6. What is "chiselling" in business?
7. What is the place of the Trade Association?
8. Must the B. N. A. Act be rewritten?
9. What is Economic Planning?
10. Must we control unfair competition to protect workers, business men, consumers?

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A forty-eight page booklet reprinting in full the recent series of articles in The Financial Post on the Stevens Committee, the N. R. A. and the problems of regulation of industry in Canada.

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News of Canadian Mining Investments

The Week in Mining

A Healthier Situation

SOMETHING more than seasonal lethargy must be found to account for the big drop in turnover reported by the mining section of the Toronto Stock Exchange during May.

Total transactions in May, according to exchange officials, were 22,578,580, as compared with 60,613,249 in April, the second highest turnover in exchange history.

Those market observers who saw cause for alarm in the huge volume of trading which went on in April have, by the same token, cause for satisfaction in the fact that in May the mining market was on a much saner basis.

This is all the more evident when one compares the average price per share of the two monthly figures. In April the trading was valued at $37,054,681. In May the values of transactions totalled $18,565,321.

Analyzed, this meant that the average price per share paid in the hectic April trading was only 62 cents per share. In May, despite the drop in volume, it was 82 cents per share.

Thus the May trader was concerned not so much in penny stocks, but in the higher-priced shares. The small trader, who gambles recklessly and with little investigation, in cheap stockjs, was less conspicuous on the May market.

The fact that the decline in volume was not purely seasonal is evidenced by comparing these figures with last year's, when the volume of trading jumped to 27,340,309 in May, from 11,194,513 in April.

These monthly figures provide meaty material for the statistician. For example, by dividing the value of the monthly turnover by the total dividend payments during 1933, it can be shown that the market value of the mining stock on the Toronto Exchange for one month is 50 per cent more than the total dividend value for a whole year. Which shows amcng other things how grossly in excess the market value is of the actual value.

The notorious vacillations usually associated with the weather in spring were evident in the May mining market, and sharp rises and slumps featured the month.

The low point in May was reached on the 14th. On this day, the exchange index on 20 golds fell to 115.40 from an opening of 119.03. Four days later a sharp rise carried the index above the opening figure, and the golds finished the month at a higher figure than the opening.

Silver did not recover so well and ended with a loss in the index figure of 2.67

Following are the sales and value for the period compared with other months:

Sales	1934	1933
May	22,578,580	27,340,309
Apr.	60,613,249	11,194,513
Mar.	65,990,790	11,021,740
Feb.	36,926,133	20,157,268
Jan.	29,114,193	18,777,251
	215,222,945	88,491,081
Values		
May	$18,565,321	$40,667,846
Apr.	37,054,681	21,791,703
Mar.	42,741,413	9,596,683
Feb.	22,432,773	21,757,062
Jan.	18,100,306	10,142,654
	$138,894,494	$103,955,948

* * *

Russia and Gold

WITH a reported output in 1933 of nearly $100,000,000, Russia's gold industry is staging a remarkable growth, according to word from that country.

Passing in a few years the production figures of both Canada and U. S., the U. S. S. R. now ranks second in gold-producing countries of the world, being surpassed only by that doughty champion producer, the Transvaal, which had an approximate production last year of $239,000,000.

In a statement redolent with optimism, A. Serebrovsky, chief of the gold industries, has claimed that so vast are the Russian gold deposits that in "the near future" the Soviet will pass the Transvaal mark.

In mentally digesting these reports, it would be well to flavor them with a dash of known facts. Principal gold producer in Russia is the Lena goldfields, which up to a few years ago was controlled by Britain. Even under the resourceful administration of Britons, this camp came nowhere near to producing the staggering figure claimed now by the Russians.

In her hey-day, 1908-1910, Russia including all Asia, as a gold producer had an output of about $64,000,000. It may or may not be significant that her present rather startling claims to gold deposits come at a time when she is desperately in need of credit from other countries.

Movements of Mining Men

Wm. Hurst, president of Central Manitoba Mines, recently returned to Winnipeg after a trip to the company's property northeast of Winnipeg. He was accompanied on this trip by H. C. Ritchie, vice-pres.

Lt.-Col. H. H. Yuill, M.Sc., prominent Vancouver engineer and mining figure was recently in the Swayze area also Toronto on a business trip.

Claude Ferguson, formerly manager of Granada Mines, has left for Panama where he will relieve, as mine manager, C. F. MacDonnell, of Veraguas Mines, who is returning to Canada on a year's furlough.

John A. Read, well known Toronto consulting mining engineer and geologist, has returned from Panama, where he spent the winter in a professional capacity for Veraguas Mines.

M. F. Fairlie, managing engineer of Mining Corp., has been elected chairman of the Toronto branch of the Canadian Institute of Mining & Metallurgy.

Gunnar Gold Mines—Diamond drill hole No. 6 has intersected the No. 3 vein at a depth of 150 ft., according to official information. Shaft sinking is proceeding and is at about 400 ft.

FORESEE DIVIDEND FOR CARIBOO GOLD BEFORE YEAR'S END

Additional Mill Capacity Ready in Three Months Says President

At a largely attended annual meeting of Cariboo Gold Quartz in Vancouver on May 30, shareholders heard Dr. W. B. Burnett president predict that, in view of the strong cash position enjoyed by the company, it would be able to make a substantial dividend payment before the end of the year.

After this announcement the present triple directorate was returned to office. Apart from some criticism that shareholders were deprived of clear-cut information, the meeting was harmonious, and was marked by an optimistic tone.

Dr. Burnett stated that additional equipment to bring the mill capacity to 100-120 tons daily, would be ready for operation in about three months, and operations would then be on a profitable basis.

Reports in Six Weeks

It is planned to release the report of John Norman Wynne, of the London firm of McCarthy and Binns, who is at present making a study of the property, simultaneously with that of Ira B. Joralemon, which is already in the hands of directors. This will be in about six weeks, Dr. Burnett assured a group of impatient shareholders, who were pressing for immediate release of the Joralemon report.

While definite estimation of ore reserves was not practical, owing to the nature of the formation, the president estimated the ore available at from 50,000 to 150,000 tons. Dr. Burnett stated it was the intention of directors to issue progress reports at frequent intervals. He denied that Newmont interests had offered to operate Cariboo Gold Quartz.

The reason advanced for not releasing the Joralemon report immediately was that it had only reached the hands of directors the day before the meeting, and they wished time to study it. The report was voluminous, stated Dr. Burnett, but he could say that it was favorable and agreed in the main with the idea already reached by the directors that with the amount of ore developed the capacity should be stepped up with a view to dividends.

Two directors will be added to the board in the course of the next few months, Dr. Burnett stated, in answer to a demand that the shareholders be allowed to select two more men for the board.

R. R. Rose, general superintendent of the mine, appeared to answer questions. He stated that there were roughly 30 veins on the property, varying in width from two or three inches to a maximum of 20 ft. With additions to equipment the percentage of development ore in the mill feed was increased to 68 per cent. He saw no evidence to believe the vein would pinch out at depth. Crosscuts paralleling the main tunnel will be run on both sides of it, 600 ft. distant. The main tunnel has been driven 1,500 ft. beyond the Sanders area. Within the past week, a 15 inch vein had been struck, Mr. Rose announced.

NIPISSING PLANS INTERIM DIVIDEND IN JULY OF 12½c

Proposal Needs Only Approval of Directors, President Tells Shareholders

Nipissing Mines Co. plans a distribution of 12½ cents per share, E. P. Earle, president, announced at the annual general meeting, held in Toronto on June 5. While a definite announcement could not be made until directors had considered the matter, Mr. Earle was confident the distribution would be made about mid-July.

Shareholders were told that wells in the Michigan oil field were now returning about $7,000 per month, of which Nipissing Mines received about 62 per cent, by virtue of owning 623 out of 1,000 shares in Michigan Pacific Oil & Gas Co. Nipissing Mines increased its holdings in Michigan Pacific last year, and had now a total of $100,000 invested in the area.

Mr. Earle, in answer to a question, denied that it was the plan of the company to change its capital structure, or make any distribution from capital accounts.

The Beattie proposition, he also stated, was making money, despite tthe necessity of shipping concentrates to the coast. He predicted that by the end of the year metallurgical and similar problems would be completely ironed out.

Investments which on Dec. 31 last were carried at a cost of $900,000 he said. The company had also profited by holding silver bullion, said Mr. Earle.

CHARTER GIVEN UP BY LAROSE MINES

Report LaRose Rouyn to Revive Activity on Old Cobalt Claims

Following the surrender of its 1907 Ontario charter, listing of LaRose Mine shares was discontinued on the Montreal curb on Saturday, June 2.

In 1926 this company sold all its assets, including property and a controlling interest in University Mines Ltd. to LaRose Rouyn Mines, formed to acquire these assets. In consideration of this sale, LaRose Mines received 750,000 shares, which were held intact by the company. Subject to any claims which might be made against the LaRose Mines, these shares will be distributed to shareholders, The Financial Post learns.

LaRose Rouyn Mines, whose shares are not listed, has been inactive for some years. Up to Dec. 31, 1932, a total of 26,719,340 ounces of silver was produced from the property and $6,600,547 paid in dividends. Since that time there has been no activity.

Smooths Path for Asbestos Corp.

—Sketched by Charles Comfort.

CAPT. JAMES GORDON ROSS, B.Sc.
Manager of Asbestos Corp., whose engineering genius in introducing into the asbestos industry the block caving system of mining, is credited with saving this firm from the shoals of 1929-1930. Besides his engineering skill, Capt. Ross is noted for his genial personality, which has resulted in ironing out many of the internal troubles which at one time featured the operations of the company.

Capt. Ross's Pioneer Plan Boon to Asbestos Industry

Revolutionary Method of Asbestos Mining Proves Cheaper Than Open Pit

Mention the name "Ross" to the man on the street, and he'll think of rifles, ex-lieutenant Governors, the bonny braes of Scotland, or any one of a number of things.

Mention the same name to anyone familiar with Canadian mining and if they don't think of asbestos and "block caving" you can get your money back.

Because if Capt. Jas. G. Ross, B.Sc. does nothing from now on but rest on his laurels, which isn't the sort of thing Capt. Jas. G. Ross would do, he will be known as the man who revolutionized asbestos mining all over the world, by introducing to that industry the thoroughly ingenious system of mining in which the law of gravity is harnessed, and instead of starting at the surface of the pit and digging down, you start at the bottom and—well, let it drop.

Oatmeal and the Scottish

The point is, that by starting the block caving system of mining Capt. Ross probably saved the Asbestos Corporation from the lethal effects of the depression, and solved the most serious production problem which that company has faced in its long career.

Like other famous Scottish-Canadians, Ross was born in Embro, in Zorra Twp., Ontario, where his father operated an oatmeal mill. As would be expected, running an oatmeal mill in a Scottish settlement was a far from unprofitable business, and no difficulty was experienced in financing young Jimmy through Embro public school, Woodstock Collegiate Institute, and later McGill University, from which he graduated with a B.Sc. in 1903.

In addition to studying engineering at McGill, Jim Ross found time in 1901 and 1902 to do some practical mining in Rossland (the name has no connection) and Fernie, B.C. He also studied mining at the opposite side of Canada, Cape Breton.

Immediately after graduation, Ross was employed as maintenance of way engineer with the Grand Trunk Railway. Still hankering after mining, however, he left to do some thorough going, hit or miss prospecting in the Cobalt area in 1905, but failed to find his Eldorado. So in 1906 he went back to railroading, assuming the position of engineer and superintendent of Pennsylvania Tunnels under the Hudson River, New York.

Back to Mining Game

He was not to live away from mining for long, however, and in 1908 he was made manager of the Worthington Nickel mine, in Ontario, and the Chrome mine in Quebec.

Unspectacular as had been his career so far, his genuine ability must have come to the attention of the Quebec government for in the latter part of 1908 and during 1909, we find Ross taking a jaunt through Europe, Asia, Africa, Australia, and New Zealand. He apparently overlooked South America. His job was to study mining methods used in chrome and asbestos deposits, by various countries of the world, and to report on these to the Quebec government. If Ross had been a far less able engineer than he is, he could hardly have helped knowing something of chrome and asbestos when he returned from this trip. As it was, he returned about as well versed in these minerals, and their production, as any man of that time.

Wounded in War

But his travels were not ended. When he returned to Canada in 1910, he immediately started out to examine mining properties in Porcupine District of Ontario, in British Columbia and in Alaska.

In 1911 he was appointed consulting mining engineer for Milton Hersey Co., Montreal, a position which, among others, he still holds. In that capacity he serves alternately as an examiner of mineral properties and mine manager.

A man with this amount of energy would not be found at home during the war, and Ross enlisted, to emerge with a badly wounded leg, and the rank of captain.

In 1929 he received his toughest job, and the job, incidentally, which was to make him famous in mining circles.

In this year, the Asbestos Corp. was having its troubles, troubles not entirely due to the depression. The famous King pit at Thetford Mines had been mined since 1878 and was near the economic open pit depth limit. This mighty hole, then over 300 ft. deep, could not be sunk any deeper, as the circumference at the top could not be made any larger, and it was already beginning to crumble at the edges, at great risk to human life. Open pit mining, then the lowest cost form of mining, must cease.

Sets Canadian Record

Capt. Ross was called in. In the course of his travels, this man had seen, and been impressed by the block caving system used in the copper mines of the southern United States. For technical reasons, it was thought impractical to adopt this little known system to asbestos mining.

It had never been done before, so Capt. Ross did it. He was convinced that by that method of mining, production costs could be kept low and the vast orebodies known to exist in the vicinity of the gaping King pit could be utilized.

At that time, his critics thought Capt. Ross was overly optimistic. As it turned out he wasn't optimistic enough. Now Asbestos Corp. are mining asbestos at a cost for mining alone of about 21.1 cents per ton, a figure under the production costs of the open pit method. This figure represents the first year's operations. It is a record in Canada for any kind of ore, and new to the world in asbestos mining.

The full repercussions of this adaptation of a little known copper-mining method to the realm of asbestos mining has undoubtedly not been felt as yet. It is not an exaggeration to say that wherever asbestos is mined Capt. Ross's "experiment" has been watched with keen interest.

But Capt. Ross's engineering genius is not his only contribution to the industry. Equally as important, at least as far as the Canadian industry is concerned, is his well known geniality, and pleasing business methods, which acted as oil on the troubled waters of the asbestos industry in Canada. Capt. Ross is largely credited with having brought about the harmony which exists today among the various interests in the industry, which is in sharp contrast to conditions as they existed when he entered his present position in 1929 as manager of the largest Canadian asbestos enterprise which means about the largest in the world.

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POLLARD WANTS LAKELAND GOLD "REORGANIZED"

Claims Toronto Brokers Willing to Underwrite New Firm

Reorganize, form a new 2,000,000 share company and give the existing company 1,000,000 shares, was the plan proposed by F. A. Pollard, president of Lakeland Gold Mines, to a group of shareholders meeting in Brantford on May 31.

At the meeting Mr. Pollard reported that the mortgage on the company's realty and chattels, amounting to $22,868, and revealed in a recent exclusive article in The Financial Post, had been discharged by a group of shareholders who advanced money and took up treasury stock at six cents per share. A liability of some $7,000 owing at the mine and not shown on the balance sheet of April 30, 1934, was admitted at the meeting and was taken to represent operating expenses since that time.

The plan of reorganization outlined by Mr. Pollard would mean about one new share for each four shares presently held and would place a market valuation on the shares given from the recent advances, to liquidate the mortgage, of about 24 cents per share.

A Pleasant Surprise

The pleasant surprise of the evening came to shareholders when Mr. Pollard stated that he had been in negotiation with two different groups of brokers in Toronto who would underwrite 500,000 shares, which would place $250,000 in the treasury within 90 days. Having regard for the financial struggle that the company has been through during the past four years shareholders were at a loss to understand, in view of the company's present precarious position and relatively unknown mine worth, why any broker would make a firm commitment guaranteeing the funds.

C. B. Morgan, present mine manager, and his associates are working on a detailed report on development and ore possibilities, which is expected to be available shortly. It is understood that the brokers would accept this report as final in justification for the underwriting.

KENTY PRESIDENT WARY OF RUSHING POWER CONTRACT

But Expresses Satisfaction After Trip to Swayze Property

F. L. Trethewey, president of Kenty Gold Mines in the Swayze area of Ontario, has just returned from an inspection trip and advises that while developments continue encouraging he is not yet prepared to announce any plans that would call for the installation of hydro-electric power.

Drifting east on the No. 5 vein encountered some very wet ground, due to the shattered nature of the rocks, which is regarded as favorable formation but is disposed to let the water in and seriously hamper lateral work. In a few days diamond drilling is to start from the surface to probe the area where lateral work was planned. This section is regarded as exceedingly interesting but officials are not disposed to wax enthusiastic until more information is available.

Crosscutting south on the lowest level is also under way to explore a vein system that is held as promising. The shaft sump is also being deepened and another pump installed to take off the heavy water flow.

Third Summer

The property was staked three years ago by the Kenty Brothers working for the Northland Prospectors, Brett Trethewey Mines and the Northern Canada Mining Corp. Some exceedingly rich surface showings were encountered and an extensive plan of development was started under experienced technical direction, which called for sinking two shafts to a depth of 500 ft. some 1,800 ft. apart, along the main shear zone where a series of veins were encountered. The area is highly fractured and there is a great deal of faulting with the result the problem of development is sometimes complex.

Inasmuch as the company is largely privately owned, at least by the sponsors of the staking and prospecting party, there has been no disposition on the part of officials to boost the importance of the developments to date. The paucity of news from the property is held by some to be due to unsatisfactory developments but officials say they are not going to be a party to statements that cannot later be substantiated. Col. H. H. Yuill, the well known Vancouver consulting engineer who represents the Central Mining & Investment Co. of London England, and who just returned from an inspection of the property, entertains high hopes of success. His principals took up their shares under option from the Kirkland Lake Gold Mining Co. which is financing Kenty.

Some months ago overtures were made by the Hydro-Electric Power Commission of Ontario to build a branch transmission line some 90 miles in length from the main Abitibi-Sudbury line into Swayze, but as Kenty did not consider it was justified in making its share of the capital expenditure at the present time, to speed up development, power is presently being provided by Diesel engines. The company has two engine driven compressors supplying power and while more power would be desirable officials are content to take the slower and cheaper route to gain their objective

At last reports some 2,000,005 shares were outstanding out of the authorized capitalization of 3,000,000 shares.

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Bradian Mines Is Busy Scene Work Speeded

Development of the Bradian Mines, between Bralorne and Pioneer Mines in the Bridge River area is in full swing, temporarily using electric power from the Bralorne pending the completion of the hydro-electric installation of the B.C. Electric Co.

Two weeks ago the Coronation section of the property was dewatered and examination is under way. Plans call for immediately sinking the shaft a further 450 ft. or a total of 650 ft. below the main working tunnel.

On the Ida May section, higher up the mountain, and closer to the Bralorne property, drifting is under way with considerable evidence of encouragement.

Up until early this year the Bradian holdings formed part of the Bralorne, but owing to the length along the mineralized zone it was deemed advisable to split up the property in order to speed up development.

The Newmont Mining Corp. joined with Bralorne, which holds control and an aggressive programme is assured under the best technical direction. Ira B. Jorelemon, consulting geologist, was recently at the property.

New Company Acquires McCarthy-Webb Claims

Shareholders of McCarthy-Webb-Goudreau Mines approved sale of the company's property consisting of seven claims in the south part of twp. 49, three miles south of east of Goudreau, Ont., to a new company, Algoma Summit Gold Mines, at a special meeting which preceded the annual meeting on May 29.

Algoma Summit Gold Mines has an Ontario charter, and is capitalized at 5,000,000 shares, of which 1,000,000 were issued to McCarthy-Webb for the property. In addition McCarthy-Webb shareholders were given an option of 2,500,000 at 20 cents a share.

Shareholders were told that operation of a 30-ton mill will begin immediately.

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Quebec Gold Output Drops Figures For April Reveal

Production figures by the Quebec Bureau of Mines show a slump in the production of gold in April as compared with that in March. April production totalled 29,614 oz. principally from the Noranda mines, the largest producer.

Comparative figures for previous months this year are as follows:

1934 Mos.	Gold oz.	Silver oz.	Asbestos tons
Jan.	33,815	33,041	8,502
Feb.	32,976	30,457	9,256
Mar.	37,822	44,902	12,629
Apr.	29,618	34,822	10,611

Informational Advertisement
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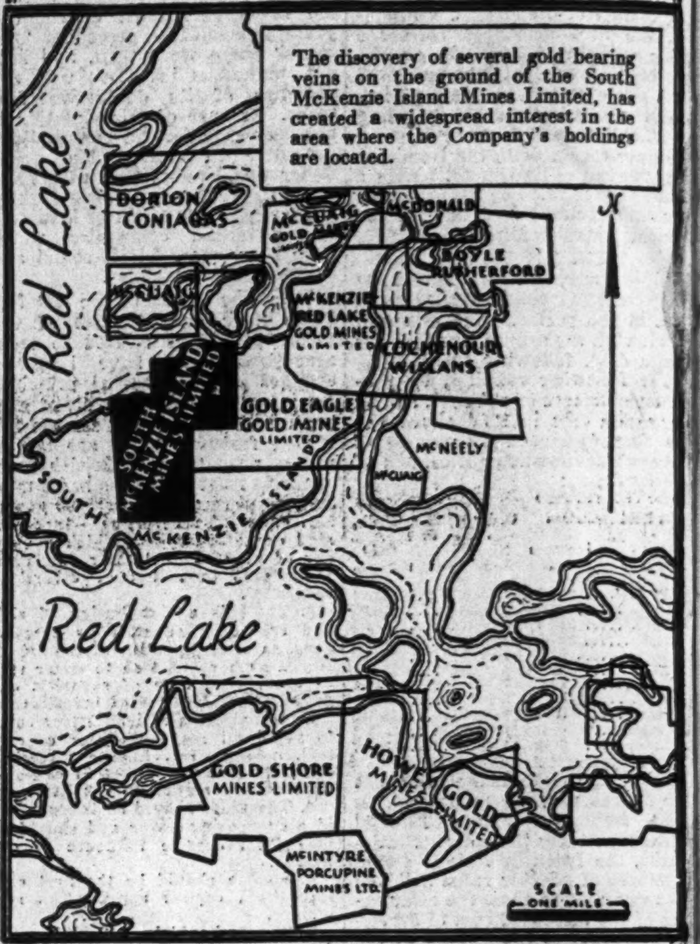

A gold mining property comprising 16 claims, located in the very heart of the present mining activities of the Red Lake-McKenzie Island Camp. Surface exploration work now underway to develop known veins on the property under the supervision of Chas. E. St. Paul and W. M. Rice, E.M.

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With the help of Maclean's Magazine, 299 people have found $383,999 in the past two years.
This money was overlooked in the most unlikely of all places—the chartered banks of Canada.
On December 31, 1933, there was still unclaimed the sum of $2,089,659.
Lists of the names in which these forgotten accounts were opened, and addresses, have been compiled for Maclean's by Grant Dexter. They appear in the current issue.
You, or your relatives, may be on it.
Look and see.
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EAST KOOTENAY EARNINGS LOWER MINING SALES UP

But Demand from Coal Fields Slackened — No Depreciation Charged

Slightly lower gross and net earnings of East Kootenay Power Co. in the year ended March 31, 1934, as compared with the preceding period, are the net result of a 10 per cent increase in power requirements in the metal mining fields around Kimberley, B.C., in the last half of the year and a drop in demand from the coal mining fields of Southwestern Alberta and Southeastern British Columbia. Coal mining fields had not the usual demand for transportation coal because of the short wheat crop and the comparatively large amount of railway-stored coal overhanging the market, states A. J. Nesbitt, president.

OPERATING STATEMENT
(For Years Ended March 31)

	1933 $	1934 $
Electric revenue	423,724	405,364
Miscel. rev.	1,664	1,724
Gross earnings	......	407,088
Purchased power	1,988	96
Operation	90,233	80,454
Taxes	*25,445	24,291
Maintenance	24,341	30,807
Net earnings	283,381	271,440
Interest	*283,123	281,430
Surplus for year	258	*†9,990
Former surplus	71,958	72,216
Present surplus	72,216	62,226

*Adjusted. †Deficit.

No Depreciation Since 1927

Auditors state that no provision has been made for depreciation during the seven years ended March 31, 1934. This would chiefly affect plant investment of $5,487,381, slightly higher than a year earlier. Efficient operation, however, was reported by the president, who said operating expenses were lower in spite of heavy maintenance charges absorbed in overhauling one of Elko plant main units.

Dividends on 7 per cent preference shares are paid up to February 29, 1932.

There was an increase during the year of the working capital deficiency as shown by the following table:

Working Capital Deficiency

	Mar. 31 1934 $	Mar. 31 1933 $
Current assets	174,021	105,920
Current liabs.	2,200,277	2,090,331
	2,026,256	1,984,411

Owes Power Corp. More

It must be understood that, of that deficiency, demand notes and current account payable to Power Corp. of Canada account for $2,090,416 against $2,048,736 a year earlier. Cash at $86,008 is almost quadrupled, accounts receivable at $37,628 compare with $31,081 while materials and supplies dropped from $51,845 to $50,336.

Accounts payable at $22,641 are down $120; income tax provision is down from $14,854 to $13,719; and bond interest accrued is up from $4,477 to $73,500.

Diana Gold Mines Aiming At Production by June 15

A telegram from Charles A. Richardson, mine manager for Diana Gold Mines, operating in the central Manitoba area, states it is expected to have the mine in production by June 15.

Diana Gold Mines, formerly known as the Gem Lake, that went into liquidation in 1932, is about 100 miles east from Winnipeg. The property consists of 2,080 acres, with a three compartment shaft down 770 ft. Two miles of underground work have been completed, with 7,000 tons of ore on the dump, and 30,000 tons indicated above the 500 ft. level. A steam operated 50-ton mill and complete camp buildings are on the property. Behind the mill are 3,000 cords of wood for fuel ready for production.

To date there has been about $500,000 spent on the property. The company is completely financed. Douglas G. H. Wright, consulting engineer, and H. P. Fay, president of Doran securities are leaving for the property shortly.

Install Radio Telephone To Link Distant Areas

From Our Own Correspondent

AMOS, P.Q.—Mining operators throughout Northwestern Quebec are displaying keen interest in the newly installed radio-telephone station owned and operated by General Airways.

The new station connects Rouyn with the Chibougamau mining area, a sub-station being established on the Noranda property at Borbeau Lake. The station is an important step forward linking the hinterland Chibougamau camp with the Rouyn copper-gold metropolis. Messages are now being freely exchanged over the 150 miles of bush waste, and mining operators are now able to communicate daily with the outside world.

A message received from Chibougamau recently, via the radio-telephone, states that the lakes are still ice-bound, breaking-up conditions being expected within the next week or ten days.

Bulolo Gold Dredging Profits Less in April

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging had a recovery of 6,605 fine ounces of gold from 612,700 cubic yards of gravel dredged in April, H. A. Gould, secretary of the company, reported.

This compares with 7,724 fine ounces from 648,600 cubic yards in March and with 7,415 fine ounces from 489,100 cubic yards in April of last year.

Mr. Gould said the estimated working profit amounted to 4,280 ounces which with gold at $35 per ounce in Canadian funds amounted to $149,800. This compares with $172,025 in March of this year.

Jellico Gold to Operate In Little Long Lac Area

Jellico Gold Mining Co. has just been formed by K. F. MacLaren of Toronto to finance the development of a group of claims tying on to the Bankfield property in the Little Long Lac area.

The company has a capitalization of 3,000,000 shares and 500,000 shares have already been disposed of at 15 cents each. Diamond drilling is to start at once.

Red Lake Gold Shore Plans To Sink Shaft to 500 Ft.

Charles E. St. Paul, president and managing director of Red Lake Gold Shore Mines has left to take charge of shaft-sinking operations on the property at Red Lake, Ont. The first objective of the company is to sink the shaft to a depth of 500 ft. with stations at 125 ft. intervals. It is hoped this objective will be reached in the next three months.

Central Pat. Working Mill At Full Tilt

Central Patricia's new 50 ton mill in the Patricia district of Ontario, is working to capacity and giving good results according to advices from A. J. Anderson, mine manager. The mill started to turn over about a month ago and is now in full swing, with some 70 men employed at the property.

Steam power is at present being used with wood for fuel. In clearing the camp site a considerable quantity of wood was cut of which some 6,000 cords remain and this is believed to be sufficient to last until hydro-electric power now being developed by the Hydro-Electric Power Commission on the Albany River is available this next winter.

Good progress has been made by Hydro in the construction programme. The contract for power was not signed until March 6, 1934 and before the break-up in April all construction materials were on the site, including construction equipment and the two 1,000 horsepower turbines to be used in the plant. The electric generators are being constructed and will not be taken in until the freeze-up.

The government is giving consideration to the construction of a water route and road to facilitate transportation. The route will lie from Hudson on the C.N.R. through Lac Suel. At Perch Ripples a road or marine railway is being considered to pass the rapids of Root River. From Root River the route will lie through Lake St. Joseph, thence north to the Pickle-Crow River area.

Metal Prices

New York—June 5—
Copper: Electrolytic spot and future, 8½c.
Silver: 44⅝c.

London—June 5—
(Long Ton)—
Copper: Electrolytic spot, £35 12s. 6d.; future, £35 15s.; Standard spot, £32 7s. 6d; future, £32 12s. 6d.
Tin: Spot, £228; future, £225 15s.
Lead: Spot, £10 17s. 6d; future, £11 2s. 6d.
Zinc: Spot, £14 12s. 6d; future, £15.
Silver: 19 11/16d. per ounce.
Gold: 138s. 9d.

Canada—June 5—
Gold: $34.59.

Mining Stock Quotations

Week Ending June 4

Par Val.	Range 1934 High	Low	Company	Sales	Close May 28 (or last)	High for week	Low for week	Close June 4
1	.06	.01	Aconda	4,500	.02	.02	.02	.02
No	.33	.13	Aldermac	52,500	.22	.23	.19	.23
1	.10	.02¼	Alexandria	38,000	.05	.05	.04	.04¼
No	.18	.09	Algoma	7,240	.12	.13	.09	.13
1	.04	.01¼	Amity Copper	59,200	.02	.02¼	.02	.02¼
No	4.00	2.00	Anglo-Huronian	1,717	3.80	4.00	3.81	3.90
1	.08½	.03	Area	3,500	.03½	.04½	.03½	.03½
No	.20	.03½	Arno	......	.04	.....	.....	.....
1	1.25	.74	Ashley	24,790	.95	.96	.74	.74
1	.60	.04	Bagamac	118,100	.12	.18½	.11½	.11½
1	.04½	.00½	Baldwin	43,000	.02½	.02½	.02½	.02½
1	.22	.12	Barry Hollinger	6,875	.12	.13½	.12½	.13
1	2.05	1.38	Base Metals	3,250	1.45	1.45	1.38	1.38
5	.91	.30	B.E.A.R.	7,150	.36	.36	.30	.30
1	.51	.26½	Big Missouri	11,875	.28	.30	.26½	.27½
1	.64½	.23	Bobjo	36,100	.45	.45½	.41	.45
1	2.75	2.40	Bradian	520	2.65	2.65	2.60	2.60
No	15.50	9.90	Bralorne	6,055	13.00	13.70	12.90	13.70
1	.16	.06	Brett Trethewey	13,400	.08	.08	.06	.06½
50c	1.40	.28½	Bridge River Ex.	7,800	1.17	1.12	.95	1.04
1	.09	.01½	Brownlee	44,200	.03	.03½	.02½	.02½
1	.02¼	.00¾	Buckingham	7,500	.01½	.01½	.01	.01½
No	.14	.06½	Buffalo Can.	15,000	.10½	.11	.10	.10½
5	34.50	23.50	Bulolo Gold	575	30.50	30.25	30.00	30.00
No	.05½	.01½	Bunker Hill	81,000	.02½	.03½	.02½	.03
5s	1.20	1.00	B'Wana McKubwa	......	1.20	.....	.....	.....
No	.14	.02½	Canam Metals	1,000	.07	.07	.07	.07
1	.20	.07½	Can. Kirkland	43,050	.08	.08½	.07½	.08
No	.72	.38	Can. Malartic	13,825	.60	.60½	.57	.58
1	.02½	.00½	Capital Rouyn	34,500	.01	.01	.01	.01
1	2.85	1.40	Cariboo Gold	15,250	1.80	1.97	1.40	1.50
1	.09	.01	Cartier Malartic	4,000	.05	.05½	.03	.03
1	.81½	.49	Castle Trethewey	15,100	.54	.60	.51	.52
1	.16	.07	Cen. Manitoba	7,950	.08½	.09	.08½	.08½
1	.79	.54	Cen. Patricia	63,150	.62	.70	.60	.70
No	.16½	.05½	Chibougamau Pros.	161,060	.12½	.14	.12½	.13½
No	.15½	.09	Church. M. & Mill	8,300	.10	.10½	.09½	.09½
No	.14	.06½	Clericy (new)	74,700	.07	.09	.06½	.09
1	.03½	.01	Clifton Cons.	4,050	.01½	.01½	.01½	.01½
5	5.75	4.00	Coast Copper	250	4.50	4.10	4.00	4.05
1	.06½	.04	Cobalt Contact	20,000	.04	.04½	.04	.04
1	.94½	.28	Columario	74,600	.31	.41	.30	.35
5	2.45	1.35	Coniagas	1,525	1.85	1.90	1.80	1.90
No	1.60	.97	Coniaurum	2,494	1.47	1.55	1.40	1.40
25	170.25	132.00	Cons. Smelters	714	153.00	152.50	144.00	145.00
No	40.50	32.25	Dome Mines	860	39.25	39.00	38.25	38.45
No	.07½	.03½	Dom. Explorers	4,500	.03½	.04	.03½	.03½
1	.02½	.00½	Dominion Kirk.	2,500	.01½	.01	.01	.01
1	.02	.00½	Don Rouyn	......	.00½	.....	.....	.....
1	.17½	.01	Duparquet	28,800	.14	.14½	.13	.13
1	4.35	2.25	Eldorado	22,960	2.45	2.55	2.35	3.75
No	4.15	3.00	Falconbridge	5,800	3.81	3.90	3.75	3.75
1	.11½	.01½	Federal	8,000	.04½	.05	.04½	.04½
No	.07	.02½	Gilbec	9,000	.03½	.03½	.03½	.03½
No	1.75	.70	God's Lake	12,200	1.45	1.46	1.37	1.42
1	.18	.08	Goldale	14,200	.14½	.15	.14	.15
50c	.46	.44	Gold Belt	3,600	.....	.46	.44	.44
10	.57	.16	Goldfield	500	.27	.25	.25	.25
1	.43	.23	Goodfish	3,850	.24	.24	.23	.23
1	.18½	.02½	Graham Bosquet	20,500	.10½	.11	.09½	.10½
1	1.09	.58	Granada	4,675	.62	.63	.60	.60
No	.53	.46	Grandoro	50,500	.....	.53	.46	.50
1	1.22	.66	Greene Stabell	50,850	.77½	.80	.75	.76½
1	.18	.05	Grozelle	......	.09	.....	.....	.....
1	.48	.27	Grull Wihksne	800	.35	.29	.27	.27
1	1.85	1.28	Gunnar Gold	52,975	1.65	1.85	1.65	1.78
1	.33½	.20	Halcrow Swayze	24,100	.23	.24	.20	.22
1	.15	.03½	Harker	49,100	.09½	.11	.09	.11
1	.02½	.00½	Hilltop	11,500	.01	.01½	.01	.01
5	19.50	11.40	Hollinger	6,795	17.30	17.40	16.90	17.00
1	1.40	.93	Howey Gold	28,385	1.30	1.30	1.22	1.22
No	14.50	9.00	Hudson Bay	2,242	12.85	12.60	12.50	12.60
1	14.25	10.45	Inter. Mining	100	13.00	13.00	13.00	13.00
	6.25	4.00	Do., Pur. Warr.	......	6.00	.....	.....	.....
No	29.00	21.15	Int. Nickel	20,841	26.50	26.65	24.50	25.25
1	.12	.02½	Jackson Manion	......	.06½	.....	.....	.....
1	.40	.30	J. L. Cons. Gold	28,825	.....	.40	.30	.31
1	.03	.00½	Keora Mines	......	.01½	.....	.....	.....
1	.73½	.45	Kirk. Hud. Bay	3,000	.71	.70	.68	.70
1	.05	.00½	Kirk. Hunton	10,700	.02	.02	.02	.02
1	.76	.29	Kirkland Lake	32,100	.52	.51	.50	.50
1	.40½	.21	Kirk. Townsite	3,400	.26	.27	.24	.24½
20c	.02½	.01½	Koot. Florence	23,000	.01½	.01½	.01½	.01½
1	.23	.04½	Lakeland	35,100	.06	.06	.04½	.04½
No	.18	.07	Lake Maron	8,400	.09	.08½	.07½	.07½
1	54.50	42.00	Lake Shore	2,760	51.00	50.00	50.00	50.50
1	.03	.01	La Rose	......	.01	.....	.....	.....
1	.26	.08	Lebel Oro	261,150	.15	.19	.15	.17½
No	.22	.12	Lee Gold	7,300	.13	.14	.13½	.14
No	6.10	4.05	Little Long Lac	60,161	5.00	6.10	5.00	6.00
1	3.05	1.85	Macassa	32,378	2.52	2.56	2.39	2.45
1	.08½	.01½	Malrobic	23,500	.04½	.04½	.03½	.03½
No	.17	.06	Mandy	4,500	.09	.13	.12	.12
1	1.00	.37	Maple Leaf	48,450	.41	.44	.41	.43
5	50.00	39.25	McIntyre	2,265	45.25	45.50	44.50	45.00
1	1.43	1.01	McKenzie R. Lake	45,325	1.30	1.43	1.28	1.34
1	.56	.50	McKinley	275	.56	.55	.53	.55
No	.06½	.01½	McLeod River	266,400	.04½	.06	.04½	.05½
1	.73	.39	McMillan	16,000	.62	.64	.60	.60½
No	.53	.25	McWatters	6,300	.37	.37	.36	.37
1	1.21	.46	McVittie	26,888	.60	.73	.59½	.60
5	1.50	1.25	Mentor Exp. & Dev.	......	1.50	.....	.....	.....
No	2.47	1.60	Mining Corp.	5,450	1.90	2.00	1.75	1.93
1	.08½	.02½	Moffatt Hall	28,200	.04½	.05	.04½	.04½
1	.20	.08½	Moneta	9,500	.13½	.14	.12½	.12½
1	.04	.01½	Murphy	1,000	.02	.02	.02	.02
No	.09½	.02	Newbec	10,300	.04½	.04½	.04	.04
1	.06½	.03	Night-Hawk Penn.	10,600	.04½	.05	.04	.04
5	2.85	2.00	Nipissing	3,720	2.11	22.25	2.10	2.20
No	44.75	33.25	Noranda	9,373	43.50	43.50	41.50	42.00
No	.54	.25	Nor. Canada	5,000	.25½	.26	.26	.26
1	.27	.11	Osisko	1,000	.12	.12	.11½	.11½
1	.72	.36	Parkhill	25,940	.53	.53½	.51	.51½
1	.06	.01½	Pawnee Kirk.	7,000	.03	.02½	.02½	.02½
1	.31½	.10	Paymaster	15,410	.26	.25	.24	.24
1	1.40	.75	Pend Oreille	1,325	.85	.90	.75	.87
1	.05½	.02½	Peterson Cobalt	7,100	.03½	.04	.03	.04
1	14.15	10.75	Pioneer Gold B.C.	1,850	13.00	13.50	12.50	12.50
1	.08½	.01½	Porcupine Crown	36,500	.03½	.04½	.03½	.04½
1	.02	.00½	Porc. Gold Reef	......	.01½	.....	.....	.....
1	.03	.00½	Potter Doal	3,500	.01½	.01½	.01½	.01½
1	1.75	1.02	Premier Gold	3,690	1.26	1.33	1.24	1.25
1	.06½	.01½	Preston E. Dome	35,000	.03½	.05	.03½	.04½
No	.60	.30	Prospectors Air's	......	.40	.....	.....	.....
1	.70	.24	Quebec Gold	1,900	.28	.29	.24	.24
No	.15	.05	Quemont	......	.06	.....	.....	.....
1	1.25	.27	Read Authier	25,220	1.00	1.10	.97	1.03
1	1.29	.82	Reno Gold	3,250	.94	.93	.87	.88
1	.02½	.00½	Ribago	13,500	.01½	.01½	.01	.01½
1	.05½	.01½	Ritchie	4,500	.02½	.02½	.02½	.02½
1	.11½	.01½	Robb Montbray	21,800	.07½	.08	.07½	.07½
1	4.50	1.75	San Antonio	50,240	3.97	4.50	3.97	4.48½
1	1.45	.95½	Sherritt Gordon	23,210	1.04	1.08	.95½	.95
1	2.64	1.43	Siscoe	26,525	2.18	2.20	2.14	2.20½
1	.07½	.02½	South Keora	2,500	.04	.04	.03½	.04
No	.26½	.09½	South Tiblemont	20,440	.12½	.12½	.11½	.11
No	.35	.08½	Stadacona	141,126	.30	.35	.30½	.31½
1	.62	.31	St. Anthony	13,230	.50	.51	.45	.46
No	2.00	1.00	Sudbury Basin	2,655	1.70	1.70	1.65	1.65
1	.16½	.07	Sudbury Contact	4,000	.09	.10½	.10	.10
1	.11½	.00½	Sudbury Mines	58,300	.08½	.09½	.08	.09½
No	.18	.18	Sudbury Nickel	......	.18	.....	.....	.....
1	.50	.25	Sullivan	43,950	.34	.41	.34	.38
1	3.20	1.29	Sylvanite	31,550	2.69	2.80	2.68	2.75
1	8.05	5.75	Teck Hughes	13,785	6.55	6.70	6.40	6.40
1	.59	.20	Thom. Cadillac	8,200	.47	.49	.47	.48
1	.76	.26	Towagmac	14,800	.56	.59	.50	.55
1	.85	.35	Treadwell	100	.50	.50	.50	.50
1	.25	.19	United Kirkland	......	.25	.....	.....	.....
No	.02½	.01½	Vacuum Gas	......	.01½	.....	.....	.....
No	1.12	.77	Ventures	12,830	.88	.89	.88	.88
1	.03½	.01½	Vickers	1,500	.02	.01½	.01½	.01
No	1.53	1.10	Waite Amulet	2,080	1.20	1.20	1.20	1.20½
50c	.50	.33	Wayside	31,600	.35½	.36	.33	.33
1	.43	.30	White Eagle	25,600	.31	.32	.30	.30½
1	.07½	.03½	White Lake	2,000	.04½	.04½	.04	.04
1	.18	.07	Wiltsey Coughlan	5,400	.12	.12½	.11	.11
1	.20	.05	Wood Kirkland	16,400	.14	.15	.13	.15
No	10.25	6.75	Wright-Hargreaves	12,863	8.90	9.05	8.90	8.90
			OIL STOCKS					
No	.33	.17	Acme Gas & Oil	14,450	.23	.23	.21½	.22½
1	.20	.09	Admiral	......	.20	.....	.....	.....
1	1.60	1.02	Ajax	2,400	1.08	1.08	1.04	1.04
1	.25	.12	Alta. Pacific	600	.13	.13	.12	.12
No	.35	.19	Associated	2,700	.20	.21	.19	.20
No	.13	.05	Baltac	1,650	.06½	.07	.05	.06
No	1.60	.95	Calgary & Ed.	1,700	1.30	1.30	1.20	1.20
1	.15	.06	Calmont	4,000	.09	.09½	.09	.09
1	.12	.06	Common. Pete.	3,100	.09½	.08½	.07½	.07½
No	.65	.35	Dalhousie	1,900	.35	.37	.36	.36
No	.30	.14	East Crest	2,200	.16	.16	.15	.15
No	.58	.09	Erie Gas	2,000	.18½	.18	.13½	.18
No	.75	.35	Foothills	......	.32	.....	.....	.....
No	1.90	1.25	Home	6,125	1.30	1.30	1.25	1.25
No	.05	.02	Homestead	......	.05	.....	.....	.....
1	.16½	.12	Homestead O. & G.	2,400	.12½	.14	.13½	.14
No	.44	.20	Lowery	1,000	.20	.20	.20	.20
No	.42	.21½	Merland	......	.24	.....	.....	.....
1	.48	.25	Midwal	1,000	.38½	.32	.32	.32
5	.17½	.09	Nordon	1,650	.10	.11	.10	.10½
No	.09	.04½	Oil Selections	10,000	.04½	.04½	.04½	.04½
No	.34	.19	Olga Gas & Oil	14,100	.21	.25	.22	.24
1	1.10	.75	Petrol Oil & Gas	......	.80	.....	.....	.....
No	19.55	14.25	Royalite	229	15.25	16.25	14.25	14.25
1	.13	.07	Sarnia Oil	1,900	.07½	.09	.07	.07
No	.17	.10	South West Pete.	......	.10	.....	.....	.....
No	.70	.60	Sterling Pacific	......	.62	.....	.....	.....
No	.97	.63	Wainwright West	9,100	.70	.67	.63	.66

Par Val.	Range 1934 High	Low	Company	Sales	Close May 28 (or last)	High for week	Low for week	Close June 4
1	1.76	.51½	B. C. Nickel	212,653	1.08	1.23	1.05	1.18
1	1.25	.90	B. C. Silver	......	.90	.....	.....	.....
50c	.29	.17	Butte I.X.L.	3,600	.20	.20	.17	.17
1	.24	.18	Can. Rand	5,000	.20	.19	.19	.19
1	2.90	1.65	Cariboo Gold	14,650	1.73	1.97	1.65	1.85
No	12.00	8.75	Coast Breweries	380	12.50	12.60	12.50	12.50
1	.45	.21	Congress Gold	4,800	.35	.34	.30	.32
25c	.02	.00	Cork Province	......	.00½	.....	.....	.....
1	.08	.05	Cotton Belt	......	.08	.....	.....	.....
1	.06	.01½	Dalhousie Mine	5,000	.04	.03½	.03½	.03½
	.08½	.06	Dawson Gold	......	.07	.....	.....	.....
No	2.07	.25	Dentonia	28,800	.70	.79	.69	.72
1	.45	.28	Dunwell	2,800	.28	.32	.29	.30
No	.44½	.15	Fairview Amal.	12,000	.17	.19	.17	.17½
1	.12	.07½	Federal Gold	......	.10	.....	.....	.....
1	.42	.30	George Copper	......	.31	.....	.....	.....
50c	.02½	.01½	George Enterprise	......	.01½	.....	.....	.....
1	.06½	.01½	Georgia River	6,000	.02½	.02½	.02	.02
50c	.08	.01	Glacier Creek	2,500	.05½	.05½	.05½	.05½
1	.63	.35	Golconda	11,450	.38½	.44	.36	.39
5c	.20	.13	Golconda Ex.	5,100	.13	.17	.14	.17
50c	.63½	.27	Gold Belt	9,200	.40	.44	.40	.44
50c	.51	.35	Gold Mountain	3,450	.37½	.38	.35	.38
50c	.05	.03	Grandview	2,700	.03	.05	.03½	.03½
No	.35	.16	Orange Mines	18,625	.20	.30	.20	.26
1	.50	.20	Grull Wihksne	14,050	.26	.29	.20	.27
No	.16	.08	Haida Gold	......	.08	.....	.....	.....
No	.29	.17	Hedley Sterling	3,000	.19	.19	.17	.17
1	.09½	.04½	Hercules Cons.	......	.07½	.....	.....	.....
No	.28	.07	Home Gold	11,600	.14	.16	.14	.14½
1	.04	.01	Independence	6,000	.02½	.02½	.02½	.02½
1	.04	.01½	Indian Mines	......	.02½	.....	.....	.....
1	.15	.10	Inter. Coal	2,000	.14½	.14	.14	.14
1	.42	.29	Jack Waite	......	.36	.....	.....	.....
50c	.65	.19	Kootenay Belle	4,030	.42	.50	.43	.47
25c	.02	.01	Kootenay King	......	.01	.....	.....	.....
25c	.01½	.00½	L. & L. Cons.	......	.01	.....	.....	.....
1	.01½	.00½	Lakeview	......	.01	.....	.....	.....
No	2.95	2.40	Little Long Lac	......	2.95	.....	.....	.....
10c	.06	.03	Lucky Jim	1,700	.05	.03	.03	.03
No	.40	.11	Mak Siccar	......	.26	.....	.....	.....
50c	.01½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	.33	.15	Meridian Min.	20,900	.15	.16	.15	.15
5c	.04	.03½	Metaline Metals	......	.03½	.....	.....	.....
No	.85	.13	Minto Mines	46,850	.49	.58	.49	.50
25c	.01½	.00½	Mohawk	......	.01½	.....	.....	.....
1	.27	.26	Mont'y Ackerman	......	.27	.....	.....	.....
50c	.46½	.20	Morning Star	17,400	.23	.27½	.22	.24½
1	.05½	.02	Morton Woolsey	24,000	.02½	.02	.02	.02
50c	.09	.03½	National Silver	2,000	.04	.04½	.04	.04
1	.13	.03½	Native Sons	4,000	.03½	.03½	.03½	.03½
50c	1.36	.50	Nicola	22,905	.57	.56	.50	.54
50c	.17	.08	Noble Five	19,650	.09	.10	.08½	.09½
No	.18	.10	Norgold	28,200	.15	.18	.15	.17
1	.54	.12½	Pavilion	500	.48	.48	.48	.48
1	14.25	11.00	Pioneer Gold	325	12.50	13.10	12.50	13.00
50c	.18	.08½	Porter Idaho	7,700	.09	.09½	.08½	.08½
No	.02½	.01	Premier Border	7,000	.01	.01	.01	.01
No	.25½	.10	Princess Royal	......	.10	.....	.....	.....
1	.06	.03	Quatsino Copper	3,500	.05	.05	.05	.05
50c	.19	.06	Red Hawk	......	.06	.....	.....	.....
No	.27	.09	Reeves McDonald	9,275	.14	.23	.17	.19
1	1.25	.84	Reno Gold	8,400	.90	.93	.88	.90
1	.15	.07	Reward Mining	6,500	.07½	.08	.07	.07
No	.27	.21	Richfield Cariboo	300	.24	.25	.25	.25
1	.03½	.01	Rufus Argenta	4,200	.01½	.01½	.01	.01
1	.05	.02	Ruth Hope	2,200	.03	.02	.02	.02
1	.55	.27	Sally Mines	1,200	.35	.34	.32	.32
50c	.35	.17½	Salmon Gold	5,000	.21	.21	.17½	.17½
1	.09	.05	Silverado	......	.07	.....	.....	.....
25c	.04½	.02½	Silvercrest	14,000	.03	.03	.02½	.03
20c	.17	.04	Silversmith	......	.08½	.....	.....	.....
50c	.03½	.01	Snowflake	11,000	.01½	.01½	.01½	.01½
25c	.04	.02	Sonora	......	.04	.....	.....	.....
1	.46	.25	Standard Gold	300	.37	.38	.37	.38
10	6.60	4.75	Sunshine	......	5.65	.....	.....	.....
1	.28	.20	Sunloch	......	.20	.....	.....	.....
No	1.20	.50	Taylor Bridge	12,400	.75	.80	.71	.72
1	.54	.35	Taylor Windfall	1,200	.41	.40	.39	.39
25c	.05	.04	Thurlow Gold	......	.04	.....	.....	.....
5	.25	.20	Toric	......	.20	.....	.....	.....
50c	.28	.04½	United Empire	7,500	.16	.17	.16	.16
No	3.50	1.40	Vidette Gold	660	2.00	2.25	1.95	2.20
No	.24	.11	Viking	17,900	.12	.12½	.11½	.12½
No	.27½	.11	Waterloo Gold	3,000	.15	.15	.11	.13
25c	.03	.02½	Waverly Tangier (new)	17,000	.01½	.03	.02½	.02½
50c	.47	.34	Wayside	18,250	.35	.36½	.34	.34
20c	.08	.01½	Wellington	5,000	.01½	.01½	.01½	.01½
No	.44	.30	White Eagle	1,000	.34	.31	.31	.31
1	.10½	.05	Whitewater	1,000	.06	.05	.05	.05
			OIL STOCKS					
1	.15½	.10	Amalgamated	7,600	.13	.13½	.12	.12
1	.08	.04	Anaconda	500	.04	.04½	.04½	.04½
No	.12	.08	Askalta	1,000	.07	.06½	.06½	.06½
1	.10	.10	Brit. Dominion	......	.10	.....	.....	.....
1	.10½	.05	Crow's Nest	7,700	.07	.09	.08	.08½
No	.09½	.04½	Devenish	1,200	.06	.05	.05	.05
No	.01½	.00½	Fabyan Pete	10,000	.00½	.00½	.00½	.00½
No	.16½	.07	Freehold	......	.07½	.....	.....	.....
No	.18	.06	Hargal	1,000	.06	.07	.07	.07
No	.35	.15	High Sarcee	6,100	.27	.26½	.20½	.20½
No	.05	.01½	Madison	2,000	.01½	.01½	.01½	.01½
No	.35	.09	Marjon Oil	6,000	.10	.10	.09	.09½
No	.05½	.03	McD. Segur Ex.	1,800	.03½	.03½	.03	.03
1	.47	.30	McLeod	1,010	.42	.42	.38	.38
No	.22	.14	Mercury	1,500	.16	.14½	.14½	.14½
No	.22	.10	Mill City Pete	......	.12	.....	.....	.....
1	.33	.20	Model	......	.22	.....	.....	.....
No	.18	.06½	Okalta	1,300	.08	.08	.08	.08
100	29.00	18.00	Do., pref.	......	.....	.....	.....	.....
No	.17	.07	Pacalta Oil	1,300	.10	.10	.09	.09
No	.60	.14	Ranchmen's	......	.....	.....	.....	.....
1	.42	.20	Spooner	......	.25	.....	.....	.....
No	.11½	.05½	United	3,220	.06	.06	.05½	.06
No	.50	.11	Vanalta	12,727	.28	.28	.24	.24½
1	.20	.16	Vulcan	......	.16	.....	.....	.....
1	.35	.15	Wellington Oil	1,000	.31	.33	.33	.33

VANCOUVER STOCK EXCHANGE
(Transaction for Week to May 30.)

Par Val.	Range 1934 High	Low	Company	Sales	Close May 23 (or last)	High for week	Low for week	Close May 30
1	.09½	.04½	Alexandria	12,600	.04½	.05	.04½	.04½
25c	.03½	.01	Bayview	28,000	.01½	.02	.01½	.02
20c	.08½	.04	Beaver Silver	2,000	.04½	.04½	.04½	.04½
25c	.03½	.02	Bluebird	......	.02	.....	.....	.....
1	3.00	2.10	Bradian Gold	3,399	2.50	2.60	2.50	2.50
No	15.00	9.85	Bralorne	2,360	12.90	13.10	12.75	13.00
1	.48	.20	Bridge River Cons.	10,120	.33½	.36	.32	.32
50c	1.28	.28	Bridge River Exp.	47,600	.95	1.16	.94	1.07
50c	.27	.22	B. R. Mountain Gold	......	.25	.....	.....	.....
100	99.00	99.00	B. C. Electric, pref.	......	99.00	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Acme Gas†	2c.	.....	Mercury Oils	4c.	.....
Ajax Oil	8c.	7.69	Merland Oils°	5c.	.....
Bralorne	12½c.	.....	Model Oils	3c.	.....
Bulolo Gold‡°	60c.	.....	Noranda‡	$1	.....
Coast Brew.	92c.	7.36	Petrol Oil‡°	1c.	.....
Coniagas‡	12½c.	.....	Premier	12c.	9.60
Cons. Smelters	1.50	.....	Pioneer, B.C.	60c.	4.80
Dome Mines	$2+$1.50	9.09	Royalite	50c.	.....
Falconbridge	5c.	.....	San Antonio†	5c.	.....
Goldfield Cons.‡°	5c.	.....	Siscoe	12+3c.	.....
Hollinger	65c.+30c.	5.59	Sterling Pacific Oil‡°	2½c.	.....
Howe Sound	$3	.....	Sunshine Min.	5+7c.	.....
Howey Gold	6c.	.....	Sylvanite	20+5c.	.....
Int. Coal & Coke‡	1c.	.....	Teck-Hughes	60c.	9.37
Int. Nickel c.	10c.	.....	Wright-Har.	40+10c.	5.61
Lake Shore	$2+$1	5.94			
McIntyre	1.62½	3.60			

‡Interim. †Initial. °Paid in 1933.

Unlisted Mining Stocks

June 5, 1934

	Bid	Asked		Bid	Asked
Arntfield Gold	.75	.83	Kow Kash	.03½	.05
Arntfield Synd.	.70	.78	Kirk. Premier	.03	.04
Astoria Rouyn	.12	.14	Lake Geneva	.10	.15
Bankfield Gold	.40	.42	Long Lac Adair.	.32	.36
Bathurst	.03	.05	Long Lac Lag.	.34	.38
Beattie	1.22	1.27	Lamaq. Contact	..	.25
Bidgood	.02½	.03½	Lamaque Gold	1.70	1.80
Big Long Lac	.15	.20	McCarthy Webb.	.05	.07
Black River	.28	.31	McL. Cockshutt	.51	.53
Buff. Ankerite	1.70	1.80	Man. & Eastern	.20	.22
Bussieres Min.	.60	..	Magnet Lake	.29	.33
Calder Bosquet	.25	.30	Manco	..	.25
Can. Pandora	..	.19	Matachewan Can.	.14	.17
Can. Radium	.07	.10	Metals Devel.	.03½	.05½
Canusa Mining	.08	.10	Miller Indep.	..	.32
Casey Summit	.70	.75	Minefinders	2.00	3.00
Cen. Malartic	11.50	14.50	Martin-Bird Un.	14.00	17.00
Cent. Porc.	.54	.60	Mosher Gold	.29	.32
Clover G. Units	..	43.00	Mont. Acker.	..	.30
Cochenour Wil.	40.00	60.00	N.A.M.E. Units	6.00	8.00
Columario (old)	.24	.27	Newroy Gold	..	.40
Condor Cons.	.25	.30	Normetal Mine	.45	..
Continental Kirk.	.05	.08	North Shore	.12	..
Crown Reserve	.05	.07	Northl'd. Pros.	..	350.00
Cuniptau	.50	.70	N. Tiblemont Units	..	8.00
Delta Units	45.00	65.00	O'Connell Gold	..	.40
Demers Placer	.75	.85	Peninsular Pet.	.00¼	.01
Dorval Siscoe	.35	.38	Pickle Crow	1.10	1.15
Dunlop Cons.	.03	.04	Pontiac Rouyn	.48	.55
Eagle Oil	.65	.75	Powell Rouyn	.95	1.10
El Bonanza	.21	.24	Que. Eureka	.10	.13
Fiske	.08	.10	Queen Lebel	..	.13
Fleming Thomp.	55.00	75.00	Red Lake Gold	..	.33
Francoeur Mines	..	.25	Rice Lake Un.	12.00	16.00
Glenora Gold	.34	.39	Rouyn Reward	.32	.35
Glenwood	..	.35	Roche Long Lac	.24	.26½
Golden Eagle	.30	.33	Rubec	.03½	.04½
Golden Que.	.60	.70	Senneterre Gold	10.00	15.00
Golden Summit	.20	.30	Silveradium U.	140.00	170.00
Goldside Stk.	.25	.28	Silver Valley	.03	.05
Goldside Units	50.00	55.00	Smelter Gold	.37	.40
Gold Bar	.25	.28	Sourdough Un.	5.00	5.10
Gr. Bear Dev.	.22	.27	So. McK. Island	.27	.30
Gr. Bear Lake	..	.40	Talisman Gold	.20	.24
Gabrielle	.53	.56	Tashota Goldfield	.38	.44
Hardrock	.80	.84	Tiblemont Island	.68	.74
Hardrock Rock Units	64.00	68.00	Titurno Units	16.00	22.00
Herbin L. Un.	17.00	21.00	Toburn	1.38	1.44
Horseshoe	.07	.09	Universal U.	10.00	15.00
Hudson Pat.	.48	.50	Upper Can. Gold	.27	.29
Internat. Gold	..	.39	Wendigo	.50	.56
Island Lake	.08	.12	West Red Lake	.16¼	.20
Johnson Nipigon	..	.30	Young Davidson	.30	.35
Kenty Gold	..	.30	Wingold	.27	.34
Kirk. Gold	.29	.35			

Source of quotations on application. Not guaranteed.

Malartic Gold Mines To Build 300 Ton Mill

From Our Own Correspondent

AMOS.—The construction of a 300-ton mill by Canadian Malartic Gold Mines has been definitely decided, Andrew Waltz, mine manager, told The Financial Post.

Mine developments are reported to be most satisfactory and there is sufficient ore indicated to supply a 300-ton mill for three years. It is planned to design the mill for an early increase to 500 tons daily.

In view of the encouraging results obtained at Malartic the Quebec Government proposes to build a road from Malartic Landing to the mine, a distance of six miles. The survey of this road has already started.

$100,000 Spent By Ardeen Gold In Three Months

Ardeen Gold Mines, successor to the Moss Gold Mines which went into receivership last year, has announced over the signature of its secretary, W. A. Williams, that mine expenditures for the three months ended March 31, 1934, at its property in the Thunder Bay District of Ontario, were $99,469, also that bullion shipments during the same period were $67,706.

The Ontario Mines Department reports recently released show that the gross value of the production during the period was $54,176, or about one half of the expenditures. Apparently the company's figure, which covers shipments rather than actual production, includes production prior to 1934.

The official government production figures for the first quarter of 1934 were 10,865 tons of ore treated or a daily average of 120 tons. The recovery during the period was 1,470 oz. of gold and 8,057 oz. of silver.

The balance sheet shows that the working capital has decreased since the first of the year, also that the outstanding capitalization has increased from 1,310,000 shares to 1,601,007 shares at March 31, 1934.

The following tabulation gives comparative working capital figures:

Working Capital

	Mar. 31 1934 $	Jan. 9 1934 $
Current assets	61,266	55,449
Current liabilities	49,324	38,641
Working capital	11,942	16,808

The company has just made application to the Federal Trade Commission at Washington to sell its securities. It expects to issue its shares of common stock at an average price of approximately 29 cents per share.

Henry G. White, Rochester, is shown as the underwriter and also as president of Ardeen. The notice states that the shares were placed on the market in Canada at 50 cents a share. This, however, was not treasury stock, but stock taken up by Mr. White. The company states that it expects to increase the selling price in United States when development work progresses.

SMALL MILL GOAL OF KOOTENAY BELLE

Splendid Record Claimed For Young B. C. Gold Producer

Confident that they now have an assured supply of ore for over three years, directors of Kootenay Belle Gold Mines, have announced their intention of erecting a 50-ton mill on the property, which is situated in the Steep Creek Camp, B.C., and consists of 200 acres.

Incorporated in B. C. early in 1933, this company has an authorized capitalization of $375,000, par value being 50 cents. Of this, 375,000 shares have been issued for properties, and are held in escrow, and 250,000 shares have been sold for cash, leaving 125,000 in the treasury.

In a recent annual report, the company's president stated that work during the past year had developed the property to the point where the erection of a 50-ton mill was necessary. It is predicted by Mr. Black that the mill should be operating in three months time.

Kootenay Belle is in a strong financial position. The entire cost of the operations of the company to date were met from mine production and sundry income, except for a sum of about $61. This was accomplished after carrying forward $16,245, on development account and providing $3,174 for depreciation. The mine is operating on a six day week basis, work at present being concentrated on the western section of the property.

Premier Officially Assumes Control of Relief-Arlington

Culminating the announcement made some time ago, Premier Mining Co. has now officially taken over control of the Relief-Arlington Mine at Erie, B.C., purchased for cash. W. G. Norrie-Lawenthal is mine manager of the Relief-Arlington, Dale Pitt, manager of Premier, is managing director, and S. M. Manning mine supt.

With Premier in control of 51 per cent of the stock, operations are to be accelerated. Power from the West Kootenay Power & Light Co. will be connected with the property in the near future.

The new board for Relief-Arlington elected at the annual meeting on May 30, consists of J. A. Goode, pres. and W. J. Risk, representing the minority interests; D. L. Pitt, vice-pres. and managing director, D. N. Hossie and Free J. Rowlands, representing Premier.

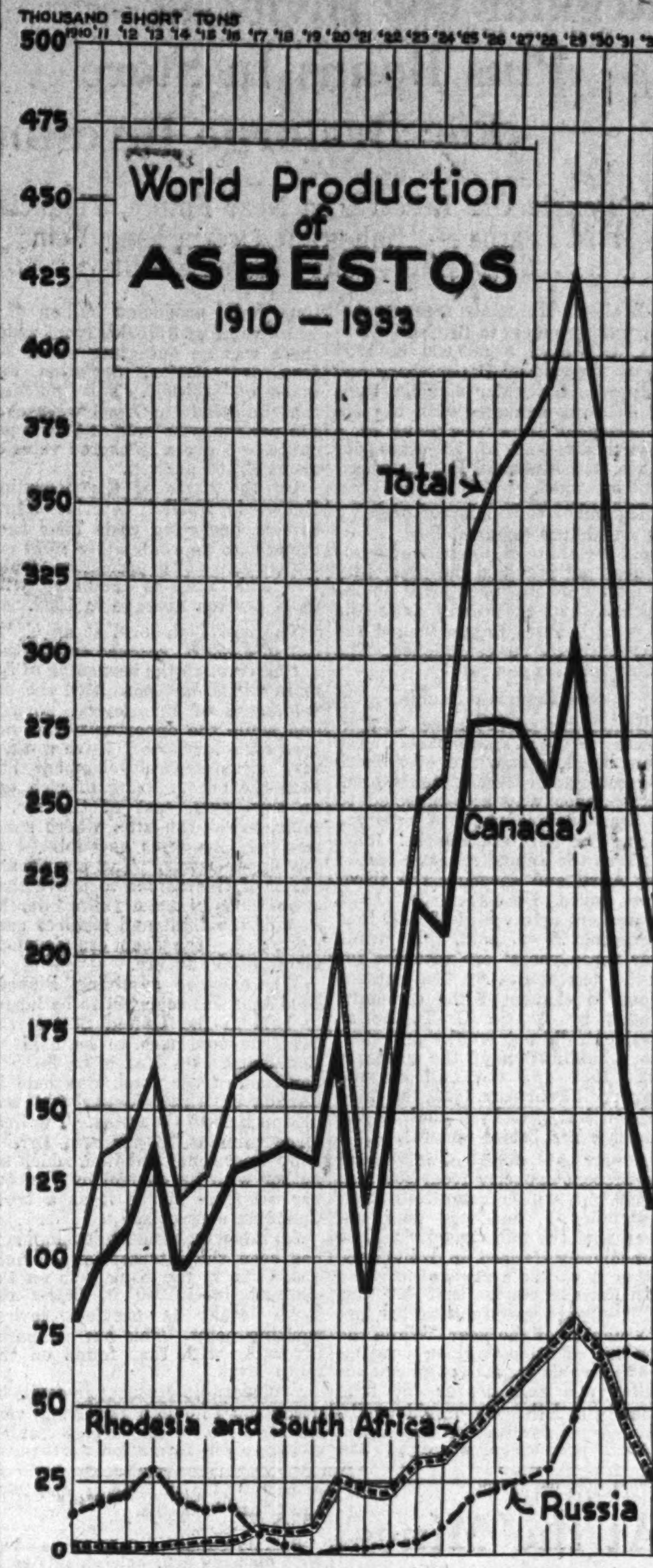
Dunwell Mines Announces First Concentrates Shipped

First shipment of concentrates from the Dunwell Mines, with property in the Portland Canal area, B.C., went forward May 28, and regular shipments will be made every ten days, the management has announced. The mill is now operating 24 hours daily, treating an average of 25 tons per day. This operation is under the direction of L. Gerard Matthews.

Post's Calendar Of Meeting Dates

June 16—Dentonia Mines, at 10 a.m. in Alberta Publishing Co. Bldg., Calgary.

June 26—Asbestos Corp. at Montreal.



CADILLAC UNHURT BY FOREST FIRES

Report Excavations For Mill Complete on Thompson Property

An official report from Thompson-Cadillac Mines over the signature of E. S. Turner, states that no loss was incurred by the recent bush fires near the company's property, in Cadillac township, Quebec, adjoining the Cadillac-O'Brien Mines. Excavations have been completed for the new 100-ton mill and part of the foundations are in. Thirteen carloads of machinery are in route from Amos, on the railway, to the mine, including a new electric hoist and compressor which is expected to be in operation by June 20, when underground work will be resumed.

In the east and west drifts three faces of good ore are reported. The east drift on both the No. 1 and No. 2 veins will be carried through to the O'Brien-Cadillac boundary, while the west drift on the No. 2 vein will be extended to get under the high grade section encountered in the No. 2 shaft.

It is expected that the new mill will be in operation in August treating low grade ore while tuning up takes place, while in September the representative grade of ore will be sent the mill.

Crescent Silver Outlines Plan for Reorganization

Creditors of Crescent Silver Cobalt Mining Co. incorporated in 1923 to develop silver properties in Coleman Twp., Cobalt area Ontario, are in receipt of a notice outlining a plan of reorganization, which will provide for the settlement of claims by the issuing of shares in a new company to be formed.

The present company has an authorized capitalization of $2,500,000 in $1 par value shares, of which some 1,650,000 shares are issued.

Upon creditors giving consent to the proposed reorganization, shares in the new company will be issued at the rate of five shares for each $1 claim. It is understood that the total claims amount to some $60,000.

In the reorganization it is also planned to take in the adjoining claims of the Primo Silver Cobalt Mining Co. and claim J.B. 35, held in trust.

Upon incorporation of the Crescent Silver Cobalt Mining Co. one claim was purchased from Sam Barber of Guelph, but never transferred to the company owing to agreements not being completed. Upon incorporation it was also planned to acquire the properties of the Primo Co. but this deal fell through when this agreement was not completed. With the planned reorganization it is hoped to consolidate the various claims and give a test to the property.

Longacre Drills 1,000 Ft. In High-grade Vein Matter

Longacre Gold Mines, incorporated in April last to develop a group of 32 claims, including the McLellan claims immediately east of the Little Long Lac Gold Mines, has a crew at the property conducting exploration work, including diamond drilling. So far 1,000 ft. of drilling has been done disclosing highly mineralized vein matter. The properties lie almost due south of Bankfield on the Port Arthur branch of the C.N.R.

The company is headed by David G. Thompson as president.

Power Contract Signed For Algold Development

Algold Mines which late last year acquired the property and assets of the New Goudreau Mines in the Goudreau section of Ontario has just signed an electric power contract for operations. Two shafts have been sunk on the property, one to 400 ft., the other to 200 ft., and connected on the 200 ft. level. Last year a ten ton test mill was installed to bulk sample the ore.

Find Makes Gun Creek Promising Gold Area

Gun Creek, a tributary to the Bridge River and about 15 miles northwest of the Pioneer mine and an equal distance closer to the P. G. E. Railway, is taking on new importance for its gold possibilities.

Last fall a find in this area was inspected by Bralorne engineers on behalf of the Bralco Development Co., which controls Bralorne Mines. At that time the high price asked precluded Bralco becoming interested in the property. However, this spring a deal was made and 20 men are now at work. The interesting phase is that 123 ft. of trenching has disclosed highly interesting conditions. Seven samples assayed an average of three ounces of gold per ton while the lowest sample assayed one ounce per ton.

Not only is the find important in itself, but it serves to extend the mineralized zone and to give importance to a large area.

John Nutt Forms New Firm To Exploit Promising Claims

With controlling stock interest in the Nutt Manufacturing and Engineering Co. which in turn owns the patent and sales right in Canada and the United States for the Kennedy Nutt Ball Mill and Amalgamator, Amalgamated Mills and Mines Ltd. has been incorporated under an Ontario charter as an exploration and development organization.

The policy of the newly formed company, according to official information, is to take over mining properties for investigation and development. Where conditions are found sufficiently promising to warrant bulk sampling, a Nutt Mill will be installed and actual milling started. If results of sampling are unsatisfactory, the mill will be removed and shipped to another location. The company plans to own and operate a small diamond drill to supplement surface and underground development. Where definite mine possibilities are shown new companies in which Amalgamated Mills and Mines Ltd. will retain a large interest will be formed to operate and equip the properties with large scale mining and milling plans.

President of the newly formed company is John Nutt, of Toronto; vice-pres., F. L. MacDonald, Hamilton; sec.-treas., John G. Reid, Toronto, and directors, Frank E. Ewens, C. C. Wilson, both of Toronto. The company has an authorized capitalization of 200,000 shares of no par value of which 75,000 have been issued leaving 125,000 in the treasury.

Vidette Gold Strikes Vein Averaging 2 Ounces a Ton

The "Bluff" vein, first of a series of parallel veins, has been intersected by crosscutting on the property of the Vidette Gold Mines, in the Ashcroft mining division, B.C., reports Gordon F. Dickson, managing director. The average width is nine inches, and the average values two ounces per ton. Sill cutting and timbering is in progress in the south drift at No. 2 level, preparatory to opening up stopes.

Sullivan Mines Recover 90 Per Cent in Tune Up

When the mill on the Sullivan Consolidated Mines in the Siscoe area was tuned up recently, the first recovery showed a recovery of 90 per cent, which indicates that Sullivan ores are apparently devoid of metallurgical problems. Underground workings have now been completely dewatered and a thorough sampling on all levels will be started in the very near future.

Rich Discovery At El-Bonanza Investors Told

With camp buildings to accommodate 35 men erected in 50 degrees below weather, El-Bonanza Mining Corp. reports considerable progress in a letter issued to all shareholders, over the signature of George C. Nasmith, president.

The buildings were started in March, with the aid of a portable saw mill hauled into the area by tractor. A crew of miners had already been shipped in from Kirkland Lake, Ont.

By May 7, a sample of 100 pounds of silver ore had been shipped to Toronto. By May 23, the superintendent reported, they had gone down 16 ft. on the Spud vein. In the latest bulletin from the field, dated May 30, the superintendent reported that on a vein running at right angles to the Spud, "the richest discovery yet" had been made, one to two inches of solid silver having been, according to this information, uncovered for 35 ft.

A Diesel power engine has arrived at Waterways, and will be shipped to the property in the near future, the president reports.

STADACONA ROUYN NOT PLANNING MILL

Anderson Denies Report — Work on Property Progressing, Says Secretary

In an official statement, Roy Anderson, secretary of Stadacona-Rouyn Mines, advises shareholders that no plans are being entertained for the construction of a mill nor have any arrangements been entered into for additional financing of the company at the present time.

Work is progressing at the company's property at Pelletier Lake, Rouyn township, south of the Noranda mine in Quebec, and in recent weeks several independent engineers have made inspections and offers to purchase treasury shares have been received.

In order to make a metallurgical test 1,000 pounds of ore is being sent to the laboratory at Ottawa, taken from the No. 2 vein on the 300 ft. level. Here some 447 ft. of drifting has been done of which 227 ft. is west of the No. 46 crosscut. This No. 2 vein strikes west and is of full drift width which averages five ft. Crosscuts have been made every 50 ft. and these show that the vein extends up to a width of 28½ ft. Over this width, values assayed $7.45 per ton with gold at $35 per ounce. In a crosscut 18½ ft. wide the ore averaged $16.09 per ton. Face assays from 189 ft. to 201 ft. west drift of the No. 2 vein ran from $8.86 to $16.17 per ton in gold. Work is now commencing on the No. 1 vein with drifting extended 72 ft. west of the No. 42 crosscut.

At a depth of 1,000 ft. the diamond drill cut 16 ft. of ore averaging $15 per ton and at 1,400 ft. ore 6¼ ft. in width and averaging $8.80 per ton was intersected. It is claimed that the total possible length of the vein system is 1,300 ft. Some 35 men are employed at the property at the present time.

At the Mines

Algoma Mining & Finance Corp.—This company has commenced surface exploration on the Long Lac property, consisting of 12 claims. Diamond drilling will follow the present exploration programme, which will be concentrated on picking up the known east-west structural conditions of the southern part of the camp, where, it is reported, important ore bodies have been located.

* * *

B. R. Mountain Golds—This company has acquired options on a further ten claims adjoining the property in Bridge River area. Permission of Supt. of Brokers is being sought to consummate the purchase. The lower level tunnel is in about 340 ft.

* * *

Dentonia Mines—Has called an annual meeting for June 16 in Calgary. Shares may be registered at the transfer office, 200 Lancaster Bldg., Calgary, and at Prudential Trust Co., 614 Pender St. W., Vancouver. Transfer books will be closed from June 2, to June 17.

* * *

Herbin Lake Gold Syndicate—annual meeting of this company will be held in Toronto at the Prince George Hotel on May 28 to consider and approve a by-law authorizing the sale of the block No. 1 property to a new company to be incorporated with a capital of 4,000,000 shares of $1 par. Shareholders would receive 200 shares of the new company for each unit now held. Herbin Lake, recently disposed of its No. 2 property which adjoins Lamaque Gold Mines to the south of Bourlamaque Township.

* * *

Hollinger Gold Mines—It is reported in well informed circles that this company will shortly announce acquisition of the Fitzgerald group of claims adjoining the Roche Long Lake property in the Little Long Lac area.

* * *

Hyslop Gold Mines—The present shaft is to be deepened to 250 ft. and two levels established, according to George W. Quinn, president, who has left for the property in the Beatty-Munro district of Ontario.

* * *

Mar Jon Oil Co.—No. 2 vein is still increasing its output as water continues to be cleared from the well, officials advise. Production is now being taken at the rate of 45 barrels daily. The No. 1 well, known as Mar Jon Freehold, continues to produce at the rate of 200 bbls. daily.

* * *

Mayland Oil Co.—Tenders are requested by the Royal Trust Co. for the purchase of 312 shares of Royalite Oil Co., representing the fractional shares as the result of the exchange of shares due to the acquisition of Mayland by Royalite some months ago.

* * *

Minto Gold Mines—An ore shipment for test purposes is being prepared at this company's property in Bridge River valley, officials report, and development work is being vigorously pushed ahead. W. A. Davidson and G. Allen Crane, president and vice-pres. respectively, are at the property.

* * *

Wellington Oil & Gas Co.—Pekisko well, in which Wellington holds stock and royalty interest, entered Madison lime at 870 ft. and has run 10-in. casing to this horizon. The well is near E. P. Ranch at Pekisko Creek.

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TORONTO, CANADA

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	Production	Dividends
Gold ...	$500,900,000	$153,108,020
Silver ..	$257,300,000	$ 97,691,281
Nickel .	$359,300,000	$149,723,449
Copper .	$148,100,000	
Total .	$1,265,600,000	$400,522,750

Ontario Department of Mines
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Minister of Mines
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To Double Ore Reserves in Near Future, Financial Post Learns — High-grade Ore in King Vein Uncovered — May Increase Mill

Bralorne Mines, the second ranking gold producer in British Columbia, will earn $1,000,000 in 1934 or at the rate of $1 per share and will go on a regular dividend basis of 60 cents annually with the announcement in a few days of a second dividend of 15 cents per share, The Financial Post is officially informed.

The policy to be adopted of going on an annual dividend basis of 60 cents per share or 15 cents quarterly does not preclude the possibility of higher disbursements for shareholders, but these will take the form of bonuses to supplement the new rate to be established, The Financial Post can say.

Ore Reserves Double

Gratifying as the news of dividends is for shareholders, the mine developments are even more interesting, for developments presently under way are expected to at least double the ore reserves during the next six months. Inasmuch as the annual report released last April and covering the fiscal year ended December 31, 1933, showed ore reserves of 230,000 tons averaging .6 oz. gold, this means over three years' ore reserves for a 400 ton mill. As the present group in charge of the company, headed by Austin C. Taylor as president, did not acquire and start the rehabilitation of the property until 1931 and the mill did not start until February, 1932, the rapid strides that have been made at the property are better understood.

A new mill addition, increasing the present capacity from 250 tons to 400 tons will be completed about September 1, but this does not mean that the mill capacity will be immediately stepped up to 400 tons, rather it will be a gradual increase with the expectation that 400 tons daily will be treated during the last two months of the year. While the new mill addition is given a rating of 400 tons daily, the equipment installed will give nearer 550 tons capacity and thereby provide a liberal margin for further expansion.

April production averaged 238 tons daily, producing bullion of a gross value of $176,000 from which there was an operating profit before depreciation, depletion and taxes of $135,000. This indicates that millheads in April were over $15 per ton with gold at $20.67 per ounce or a gross recovered value of about $24.60 per ton.

On the basis of the operating figures in April it is evident that current operating costs have been brought to approximately $5.70 per ton exclusive of depreciation, depletion and taxes as compared with $6.08 per ton average in 1933.

The new 11th level at an elevation of 3,950 ft., reached earlier this spring through the deepening of the main winze, has permitted the development of this lowest horizon and while the opportunity has not been afforded for extensive work, a very significant development has been the encountering of rich ore on this level, east of the No. 1 fault, below the area where some lean sections were encountered in the upper levels. The significant phase of this serves to prove that ore extends to undetermined depths east of the fault and inspires confidence for the deep ore developments of the future.

Whereas the adjoining Pioneer Gold Mines is reported to be largely held in the United States, the Bralorne continues to be held by Canadians. On March 31, last, 91 per cent of the stock was held in Canada of which 78 per cent was held in British Columbia. The Bralorne camp is 98 per cent British and 95 per cent Canadian, which together with its control by Vancouver residents marks it as a truly Canadian enterprise.

An important recent development has been the interception of high grade ore in the King vein on the eleventh level, 250 ft. below the tenth level, the previous lowest working point. This ore compares favorably with that found on the tenth level.

Considerable crosscutting will be necessary to reach the King vein between No. 1 and No. 3 faults, owing to dip formation northward.

At the Mines

Bankfield Gold Mines.—Two drills have been shipped to the company's property five miles west of Little Long Lac. Company announces that diamond drilling will start as soon as Walter Woods, consulting engineer, arrives at the property, which is expected to be in the course of the next three or four days.

* * *

Bridge River Exploration Gold Mines—With the shaft now down to 165 ft. E. R. Shepherd, superintendent of Bridge River Exploration has announced that the crew are now busy cutting a station for the 150 ft. level. The company is working on the California vein which varies in width from almost 20 ft. to four ft.

* * *

Buchans Mining Corp.—A drop in the amount of lead-zinc concentrates shipped from this Newfoundland mine to Botwood was noticeable in April. In that month, 171 cars, containing 3,864 short tons, were moved, as compared with 339 cars, and 7,792 short tons in March.

* * *

Buffalo Canadian Gold Mines—The first diamond drill hole on this company's property on Cree Lake in Swayze twp. is down to a depth of 150 ft. At 110 ft. it is reported the drill cut through 14 ft. of well mineralized porphyry, and at 130 ft. the core showed another eight ft. of well mineralized feldspar porphyry.

* * *

Canadian Rand Gold Mines—Extension of the tunnel on the diroite veins, and the opening up of the Hark, Colorada and Washington veins are recommended in a report made this company recently by Dr. S. J. Schofield. Machinery is now being moved into the property and a crew of 23 men is at work. Negotiations are being carried on in Toronto by R. H. Gale to take up the balance of the stock. The company now has $24,000 in the treasury and a call on a further $80,000.

Capital Rouyn Gold Mines.—Shaft sinking on this property in Northwestern Quebec has been started, according to official word. Simultaneously, a diamond drilling programme was launched. The first objective of the shaft is the 125-ft. level, where first lateral development will start. It is stated the company is fully financed for the present programme.

* * *

Chibougamau Prospectors—Shareholders of this company will be given the preference to subscribe for shares at 75 cents per share in an offering of 400,000 shares of Consolidated Chibougamau Goldfields, shortly to be announced, it was learned recently. Diamond drilling on the former Chibougamau-McKenzie property is continuing.

Cotton Belt Mines—Under recent arrangements, this company will get 10 per cent of net smelter returns on any ore shipped from the Horne Silver Mine, now under development by Madison Oils Ltd. Cotton Belt Mines also has a five per cent interest in outstanding shares of Hunter Valley Oil Co.

* * *

Gods Lake Gold Mines—Power shaft sinking started on April 18, and the shaft had been sunk to a depth of about 200 ft. was the last word received by officials. About 32½ ft. per week is being made in sinking operations with the immediate objective a depth of 500 ft.

Golden Star Consolidated Mines—According to official announcement the gold brick from the first clean-up recently completed in Golden Star Consolidated Mines shows the value of the ore being milled to be about $17 per ton. The mill has only been working one shift per day but it is expected that this will be increased to three shifts within the next ten days.

* * *

Golden Quebec Mines — Two new veins have been discovered north of the No. 1 vein, according to the wire received by B. J. Cavanagh, president of the company. The mineralized zone has been broadened by 200 ft. to some 450 ft. by the finding of the new veins, both of which are reported to have panned gold.

* * *

Granby Consolidated Mining, Smelting and Power Co.—Lewis A. Dunham, New York and C. H. Locke have been elected directors of the company replacing D. C. Jackling and E. V. Daveler.

Grange Mines—The shaft has been sunk 60 ft. below fifth level, W. L. Gilbert, pres. of Grange Mines, reports. The 6th level will be opened up 100 ft. below the fifth. Mr. Gilbert states that consideration is being given to increasing the mill capacity from 40 to 75, or even 100 tons daily.

* * *

Greene Stabell Mines. — The pool agreement on 924,000 shares, which was to expire on June 30 of this year, has been extended to Sept. 30. Greene Stabell has announced. It is reported officially that the pool arrangement can be extended still further if it is thought advisable.

Grimstone-Porcupine Gold Mines—Consideration is beng given to the installation of a 25-ton pilot mill at the company's property in Garrison township, Lightning River district, Ontario. Following a long period of inactivity operations have been resumed on the main vein which has been explored by test pits.

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Heretofore there has never been a book on the fundamentals of investing written from the Canadian standpoint and there is just enough difference to make other books slightly confusing. Now a book has been published by The Financial Post. It is for the Canadian investor dealing with the particular investment conditions existing in Canada. It is non-technical, yet it is complete. It deals with stocks; how to select them; how to judge their value; how to buy them; dealing with stockbrokers, etc. It deals with bonds; what they are; how they can be judged; how to buy them; how to sell them, etc. It discusses problems of different types of investors and what they should choose.

In addition there is a valuable compendium of financial and investment terms, table of stock yields, table of bond interest, stock exchange commission rates, etc. "How to Invest for Profit" is printed in clear type on the best quality book paper and is bound in cloth. The price: $1.00.

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Cariboo Gold Board Re-elected — Dividends Promised

The trio that have piloted the Cariboo Gold Quartz Mining Co. through its uncertain days as a prospect and financed it in opposition to what seemed unsurmountable difficulties met shareholders on May 30 and laid before them the results of the first year's production, together with plans for the future, which include bringing the mill from a present milling rate of 80 tons daily to 120 tons in about three months.

In response to the wishes of the shareholders the present board is to be supplemented by the addition of two new directors, not yet named.

A substantial dividend payment was foreseen by Dr. W. B. Burnett, president, before the year end.

SEES SCANT HOPE FOR MAJOR RISE IN COPPER PRICE

Survey of World Situation Shows Canada in Favorable Position

Chances for an immediate increase in world prices of copper are bleak, judging from an exhaustive analysis of the world's copper situation recently made by "The Economist," British financial journal. At the same time the writer stresses the fact that the future of Canadian copper industry is comparatively bright, as by leaps and bounds, Canada has forged ahead from fourth place in world copper production in 1929 to third place in 1931, and to second place in 1932, a position which she maintained in 1933.

Despite the fact that in 1933 statistics show that the world copper industry experienced an improvement, in production and consumption for the first time since the world depression began, the actual price of copper has not yet experienced any stimulus. This paradox is blamed on the fact that consumers have not yet entirely regained confidence in the market, and still exercise extreme caution in assessing copper prospects. Thus copper supplies in the hands of copper producers are being very slowly reduced and are still large enough to exert downward pressure on the market. These supplies were estimated at 612,500 short tons at the end of February 1934.

U.S. Isolated

Apart from the depressing effort of a surplus supply, the price of any commodity is chiefly determined by the cost of the dearest producer, assuming that the demand is keen enough to still require his product. However, the Economist shows that in the copper industry the dearest producer is and always has been the United States, which is isolated by a prohibitive duty of four cents. Accordingly the American copper market is practically separated from the world market, and cannot be influenced by reduction in the cost of the remaining copper producers.

Non-American markets can and will be entirely supplied by the cheaper copper areas such as Canada, Chile, Belgian-Congo and Northern Rhodesia where production costs are away below those in the United States. Bearing in mind these low production costs it is not thought that the present world prices of copper are unduly low.

Canada Fortune

Added to this is the fact that the potential output is so great that even a substantial increase in demand could be easily met without any marked price increase.

Even in this situation Canada is unusually fortunate. Known copper deposits contain about 5,000,000 of short tons of pure copper. More than 75 per cent of this is to be found in the Sudbury district—the largest nickel area in the world. A large part of Canada's copper production is closely associated with nickel or gold. As a result, copper assumes the rôle of a byproduct and enjoys the low production cost which is the legacy of any by-product.

A remarkable feature of the survey made by the Economist is the rapid decline in copper output experienced by the United States. Her share in world production decreased from 56 per cent in 1930 to 46.5 per cent in 1929 and to 23 per cent in 1933. Besides the falling off in consumption which followed depression, the high cost of production, as compared to other copper areas in the world is blamed for this decrease.

B. R. X. Gold Mines Signs Agreement for Power

From Our Own Correspondent

VICTORIA—B. R. X. Gold Mines has announced the signing of an agreement with the Bridge River Power Corp., a subsidiary of the B. C. Electric Co. to obtain power from the newly constructed line which traverses the property.

Commenting on recent developments in the three-compartment incline shaft being sunk from the lower California tunnel, S. R. Smith, managing director, states that important changes in the character of the ore in the shaft have been noted. Ribboned quartz showing some fine free gold made its appearance at a 225-ft. depth and at the present depth of 250 ft. is showing in both walls of the hanging wall vein. Ore of this class was unexpected at this comparatively shallow depth and is regarded by company officials as highly promising.

PREDICT BUSY YEAR FOR ATLIN, B.C., AREA

Bolyo Mines Leads Way With Intensive Development Programme

From Our Own Correspondent

VICTORIA—One of the most active seasons in history is predicted in the Atlin district by recent arrivals from the North. Many who have just reached the lower coast are of the opinion that this summer will see more work in this famous area than has been witnessed since the gold rush days of 1898.

Among the most important enterprises is that of the Bobjo Mines, of Ontario, which recently took over control of the Atlin-Ruffner silver-lead property. This company is now entering on an intensive development programme. Frank Smith, manager, is now in Vancouver in consultation with L. K. Fletcher, engineer for Bobjo. Thirty men will be employed and supplies and equipment have already gone forward to the mine.

Big Hydraulic Project

The largest hydraulic enterprise in the province, Northern Goldfields, will shortly be under way on Pine Creek, according to reports. Important preliminary work was completed last season and it is expected that actual production will start this season.

Associated in this enterprise are W. R. Wilson, W. L. Sheeler, R. W. Wood, J. P. Porter and J. E. R. Wood, one of the strongest financial groups in B. C.

It is reported also that Consolidated Mining & Smelting Co. is close to profitable production on Boulder Creek, where over $250,000 has already been spent in preparatory work. Yukon Border Placer Golds is also engaged in test work on Sayyea Creek, 200 miles from Carcross at the headwaters of the Laird River.

Lode activity in the area is being led by Norgold Mines of Vancouver where an eight foot vein has been developed by a tunnel for a distance of 100 ft. The average of 28 channel samples is said to be .51 oz. gold or $15.30 per ton with gold at $30 an ounce, Two other tunnels at lower levels are now being driven on the vein by the company.

Central Manitoba Output Drops by $30,000 in May

The May bullion output for Central Manitoba Mines ran about $30,000 lower than previous months, owing to the fact that considerable low-grade ore was utilized in a clean-up, states W. H. Hurst, president, who has returned to Toronto after a week's visit to the property, about 125 miles northeast of Winnipeg.

The third hole is being put down east of the Kitchener claim, as diamond drilling continues, reports the president. The first hole, at a depth of 840 ft. cut a vein 13 inches in width which assayed $9.60 at old gold prices. The second hole cut the vein at a shallower depth but the core has not yet been assayed.

The president reports that the 310 stope on the 375 ft level west of the Growler continues to give good tonnage. A raise has been put through to surface from the 125 ft level about 400 ft. east of the main shaft.

Pioneer Gold May Increase Mill Capacity to 500 Tons

Pioneer Gold Mines of B.C. now has its mill handling an average of 400 tons daily as compared with an average of 300 tons in 1933, shareholders were told by David Sloan, managing director at the annual meeting of the company.

Indications pointed to a further success at depths, he stated, and the present mill capacity of 425 tons would soon be taxed, when capacity will be increased, probably to 500 tons. Development programme for this year includes exploration of 9, 11, 12, and 13 levels to the east, and above and below the 14th level west. Further 750 ft. depth can be made without increasing hoisting equipment.

Col. Victor Spencer told shareholders that directors were loath at the present time to increase the present dividend rate of 60 cents per share. Something would have to be done with the surplus funds however, he said, as the directorate did not feel like assuming the responsibility of investing them for the shareholders.

Montgomery-Ackerman Talk Diamond Drilling

Exploration work on the properties of Montgomery-Ackerman Gold Mines in Swayze and Dore townships has progressed to the point where the company is planning a diamond drilling programme, according to latest reports from the field.

Some 15 veins have been uncovered to date on the company's 17 claims and a crew of men are engaged under the direction of D. Beveridge in stripping, test pitting and extending known showings. It is reported that a new discovery made several weeks ago has shown six ft. of vein matter, with good mineralization, in a width of 10 ft. Stripping has been completed for a length of 200 ft.

The company has between $40,000 and $50,000 in the treasury, and, it is reported, is amply financed for a summer of development work.

RIGHT TO BUY UP NEW STOCK GIVEN BY MINING CORP.

Give Shareholders Chance at $2 Per Share as Market Drops to $1.93

Shareholders of Mining Corp. of Canada are being offered rights to subscribe to new stock on a basis of one share at $2 per share for each ten shares now held. The offer recently went out to all shareholders, together with a warrant for the number of shares to which the recipient is entitled. The offer expires June 11, 1934.

Over the signature of J. P. Watson, president, a letter accompanies the offer of rights, and states in part:

"Owing to the numerous opportunities for investment of capital in new properties, and the further energetic development of the corporation's extensive holdings in various parts of the Dominion of Canada, your directors have decided to offer to the shareholders of record June 1, 1934, the right to take up one new share of treasury stock at the price of $2 a share for every ten shares now held, fractions excluded."

On the same day this announcement appeared on the ticker tape, (Saturday, June 2); Mining Corp. stock dropped seven cents on the Toronto Mining Exchange, closing the short days trading at $1.93 per share.

Capitalized at 2,000,000 shares of which 1,660,050 are outstanding, Mining Corp. will have its stock distribution increased by 166,005 shares by this new offering, bringing the total outstanding to 1,826,055 shares. At $2 per share, the company will realize $332,010 in new capital, if, as and when the new offering is completely subscribed.

The authorized capitalization of the company was changed at the annual meeting last April, from 1,660,050 shares of $5 par, to 2,000,000 shares of n.p.v., the additional created shares remaining in the treasury.

Mining Corp. recently entered into an agreement whereby it would take an active part in the development of McKenzie Red Lake Gold Mines, in the Red Lake district of Ontario. At the present time it is said to be arranging to take interests in several other new developments. It already has large share holdings in Base Metals Mining Corp., Ashley Gold Mining Corp., Normetal Mining and several others.

Lee Gold Mines Shaft Now Down to 275 Ft.

Completion of a two-compartment shaft to a depth of 275 ft., with stations at 125 ft. and 250 ft. levels is reported in a progress report recently issued by Lee Gold Mines, over the signature of John J. Byrne, president.

Seventy ft. of crosscuts have been driven on the 125 ft. level and 40 ft. on the 250 ft. level. In January of this year, a complete mining plant was purchased consisting of boilers, oil compressor, hoist, and other equipment sufficient to equip a 500 ft. shaft. A shipment of 270 lbs. of ore taken from surface pits was shipped to Ottawa for test purposes. A complete report has not yet been received.

NewRoy Building Road To Treadwell Landing

From Our Own Correspondent

AMOS.—NewRoy Mines has a gang of men at work cutting a road from the property in Louvicourt Twp. to Treadwell Landing on the Columbiere River. When this work is completed, rails will be laid for the projected narrow-gauge railway, to be constructed along the lines of the road presently being operated by the Bussieres mine, a distance of about five miles.

At present freighting goes by way of LaCorne Creek by truck and from thence by out-board motor and freight canoe to Treadwell Landing on the Columbiere.

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Sun-Ray Will Use Mill On Adjoining Property

Through arrangements with Nabob Gold Mines, operating the adjoining Hayden mine, Sun Ray Gold Syndicate will use the Hayden mill, to treat ore on the old McEnaney dump, which property was recently acquired by Sun Ray. Proceeds from the ore thus milled will be used to finance further underground development work, it is announced.

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